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Monday January 28 1980



BUSINESS

Fund

proposed

EUROPEAN Monetary System

proposals being discussed by EEC countries and their Central

TTALIAN LIRA gained ground against its partners in

the European Monetary System

last week, and on Friday there

was a strong demand for Italian Treasury bills at the monthly

The lira, Dutch guilder and

D-mark were slightly weaker than French franc, which

remained the strongest EMS

currency. The Danish krone

also showed a slight improve-

ment towards the end of the

possible rise in Denmark's bank

The Irish punt remained weak, level with the krone, but

a little ahead of the Belgian

franc. Foreign exchange trading

was generally quiet, and there

was no heavy pressure on the

Belgian currency, which stayed

E Pri S January 25,1980

suffered its worst year since World War II. Page 2

• ICI's £40m plant for making

protein from natural gas may

run for the first time at

Billingham this week. Back

GRAHAM FERGUSON

LACEY is negotiating to buy

Gulf Fisheries' 19 per cent stake

in Lonrho, 40.46m shares worth

off GROCERY Prices Index for January rose by 1.5 per cent to 120.47. Fresh food and

vegetable prices were lower

engineers have been awarded

an additional 2.4 to 6.5 per cent

pay by an arbitration tribunal.

bringing the settlement for 27,000 workers to an average

• NATIONAL Enterprise Board

reaffirmed its continued support

for Insac Products, its computer

• KODAK films and photo-

graphic paper prices go up by between 10 and 80 per cent to-

day, following the rise in cost

software subsidiary. Page 4

than expected. Page 4

26.95 per cent. Page 7

ELECTRICITY

protein plant

Page, Page 12

£40.5m. Page 14

at the bottom of the system.

on speculation about a

auction.

European

Monetary

Afghan rebels form alliance

Six leading Afghan guerrilla groups yesterday agreed to Banks include a fund with powers of liquidity creation and wide-ranging monetary and exchange rate responsibilities.

Back Page form "Islamic Alliance for the Laboration of Afghanistan."

The groups asked the Moslem foreign ministers meeting in islamabad to grant them observer status at the con-

Saudi Arabia is understood to have called for a ban on exports of oil and petrochemicals by members of the Islamic Conference to the Soviet Union and those supporting its military action in Afghanistan. The proposal has not been accepted, but Saudi Arabia is also believed to favour giving support to the Afghan guerrillas. Back Page; Pressure for W. German Olympies boyeott.

Street clashes

Four people were injured and 17 arrested in street clashes during a Provisional Sinn Fein demonstration in Birmingham. A policeman was taken to hospital with a back injury.

Iran optimism

Hopes rose for solving the crisis of the U.S. hostages in Iran after Abolbassan Bani-Sadr, who won Iran's presidential elections, said he would try to end the affair in a way which safe-guarded the demands and independence of his country. Back Page: Bani-Sadr profile, Page 2

Potholers found

Three potholers were found alive 24 hours after they went missing at Pippikin Pot near Kirby Lonsdale in the Yorkshire: Dales. The men were members of a party from Kingston upon Thames Polytechnic.

Border confusion

The land border between Israel and Egypt opened amid confuand contradictory orders. into Egypt were turned back because they did not have entry visas — an abnormal requirement. Page 2; also U.S. negotiator in Cairo

Killer cyclone

Nine people were killed and 6,000 made homeless on the French Indian Ocean island of Reunion by Cyclone Hyacinthe.

Second 'quake

A second earthquake in less than three days rocked the San Hopes for ICI Francisco area in California, causing power cuts, but no major damage or casualties. It measured 5.6 on the Richter

Hostages freed

All 135 hostages held for 19 hours by two South Korean deserters at a Seoul hotel were freed after one of the gunmen critically wounded his companion and surrendered.

Renault win

Rene Arnoux of France in a Renault won the Brazilian Formula One Grand Prix motor race. Elio de Angelis of Italy in a Lotus was second, Australian Alan Jones in a

Willams third. Briefly . . .

Kampuchea's ousted Khmer Rouge Government accused Vietnam of killing 17 people with toxic chemicals in air

Four air force personnel were executed in Tabriz for plotting to separate East Azerbaijan

province from Iran. Film star Dustin Hoffman won a Hollywood Golden Globe award for the best dramatic actor of 1979, but said " awards are very silly."

of silver. Page 4

CONTENTS British police system: A Brittan structural problem 13 Ranagement: Barratt the Editorial comment: housebuilder 10 replacement for Polaris;

Week in the Courts: Will Turkey after devaluation 12 Denning's law survive ords? 8 Survey: Oman Inset UK Come to News

Financial Diagy ...

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Thousands of steel men may defy court ban on strike

BY GARETH GRIFFITHS AND MICHAEL CASSELL

THOUSANDS OF steel workers in the private sector are expected to continue to strike today after walking out yesterday in spite of a Court of Appeal ruling that they should not take industrial action.

The Iron and Steel Trades Federation is to ask the House of Lords today for leave to appeal to it against the ruling by Lord Denning, Master of the Rolls, and two other Appeal Court judges.

The TUC has indicated that it would be prepared to finance the cost of the federation's appeal as it did for the National Union of Journalists in the case of Express Newspapers versus McShane, which was the most case the Lords ruled in favour advice. of the union's right to take

secondary industrial action The ISTC executive is likely to meet tomorrow to discuss their response to the Appeal Court's judgement. It has forbidden he sympathetic strike by 20,000 private steel workers and also the picketing of steel supply movements in and out of the country.

Mr. Bill Sirs, the federation's general secretary, said he was private steel prepared to obey the law as it remained open. tood but union members were still under instructions to strike until the executive changed It is likely that the executive intends tomorrow to reverse its decision over the strike in the private steel companies. However, it is uncertain what the recent test of trade union response of the private sector immunity from the law. In that members will be to the new

Plan to amend Bill

The Government hopes to urgent steps to amend the Employment Bili now before Parliament to clear the confusion over trade union immunities following Lord Denning's Court of Appeal judgment for the private steel companies. writes Richard Evans, Lobby

Whether a satisfactory new clause can be drafted in time for the Bill's committee

stage, which is due to start shortly remains uncertain. The alternative would be to introduce fresh legislation in the next Parliamentary session, but Ministers accept that such a delay would be politically highly dangerous.

There was some confusion in Whitehall departments yesterday as Ministers and their advisers had not been able to study the full court

night that Lord Denning's decision had angered some of those workers in the private sector who had been reluctant to join the strike.

Yesterday the response of private sector workers to the ISTC instructions to strike was mixed. In Sheffield and the Midlands, many workers stayed at home, but two of the four private steel mills in Wales

Lord Denning's judgment. Page 4
Justinian Page 8

Leaders of seven craft and general unions representing 70,000 workers but not including the largest, the ISTC, met British Steel Corporation negotiators last night. The talks were resumed from Thursday's discussions at the Advisory, Conciliation and Arbitration

The legal ruling on Saturday has added a new dimension to the four-week strike. It could have a strong influence on the TUC's attitude to consultations with the Government about its proposed legislation on trade

union immunities. Mr. Len Murray, TUC general secreary, said las nigh he shared he ISTC's grave concern over Lord Denning's ruling. I had profound implications for the trade union movement" and it Continued Back Page

Public spending cuts may be held to £1bn. this year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ECU Divergence could be much larger in later nised by the Cabinet. However, the Government.

The chert shows the two constraints on the European Montary System exchange rates. The uppr grid, based on the weakest currency in the system, defines the cross-rates from ssumes in its Budget calculations that substantial savings in system, bennes the cross-rates from which no currency (except the lina) may move more than 2½ per cent. The lower chart gives each currency advergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European the volume of public expenditure in 1980-81 will be achieved through the tight application of cash limits, and that this will play a major part in holding down public sector borrowing. • SOVIET ECONOMY has

This would be in addition to specific programme cuts where the likely total includes an assumed £350m from reductions in the UK's net contributions tothe EEC hudget, already offered.

The likely total of cuts conin 1980-81 which Mrs. Margaret Thatcher, the Prime Minister, earlier this month said she would be "quite pleased" to achieve.

though not entirely, because this target included big savings from payments to the EEC and further savings will be agreed until the third week of March,

CUTS IN specific public spend- before the Budget. The limitaing programmes being discussed tions on securing further largeby the Cabinet may not amount scale domestic cuts in 1980-81 to more than £1bn to £14bn at because of forward commitable leaks in the interim, most in 1980-81, but reductions ments have also been recognizisters are considering

over the last week to play down extravagant expectations for 1980-81 while emphasising the Government's determination to ing few years to well below the of the White Paper. level in 1978-79.

further discussion on the issue on Thursday and it is hoped that most of the decisions will be completed then. The largest contribution will come from housing (subsidies on council rents and capital investment) and from social security (notably by changes in the trasts with the £2bn target linking of short-term benefits to the inflation rate):

In addition, smaller amounts will be cut from the budgets of departments such as education and sales of public sector The difference is largely, assets will be larger than the total for 1980-81 pro-£500m posed last November.
The full spending White t now looks improbable that Paper is unlikely to be published

on March 26.

But to avoid probably inevitable leaks in the interim, whether individual departments nouncements, partly to inform local authorities and others of the changes. The main alternative is a Treasury statement reduce spending in the follow- summarising the decisions ahead The distinction between a cash

about a week before the Budget

The Cabinet is due to have a limits squeeze and specific programme cuts is that the former involves a hidden or back-door reduction in volume decided by programme managers and local authorities while the latter involves an explicit decision on priorities by the Cabinet.

A generalised cash limits squeeze on volume is likely in 1980-81 because the pay and price increases of 14 per cent assumed in fixing the limits will probably be lower than the actual rise in costs expected for the period. The inflation assumptions were disclosed in a leaked Treasury letter published in the Press earlier this

Doubts over spending cuts strategy. Page 4

Protectionist moves delayed

BY GILES MERRITT IN BRUSSELS

IN AN attempt to head off Jenkins, the EEC Commission President, have jointly undertaken to delay protectionist steel and affecting synthetic fibres until top-level negotiations are held in Brussels on February 18.

agreed to propose that EEC with the International Trade foreign ministers should post-Commission. pone the adoption of the counterwere due to be announced next

President Carter guaranteed Tokyo Round GATT trade a damaging EEC-U.S. trade war, there would be no immediate President Carter and Mr. Roy action against EEC steel exports to the U.S., such as a further increase in the trigger price mechanism. Mr. Carter also intimated that

he would try to delay the antidumping suits against European steel makers which such com-Following talks in Washing- panies as U.S. Steel are threatenton last week Mr. Jenkins has ing to lodge in early February

The Carter-Jenkins agreement vailing measures against U.S. arises from concern that the two man-made fibre exports which disputes may flare into a fullscale trade war which could jeopardise the gains of the

liberalisation agreement concluded at the end of last year. Both the synthetic fibres and steel issues will be the subject of fresh U.S.-EEC negotiations when Mr. Reuben Askew, President Carter's special trade representative, visits Brussels on February 18. Mr. Askew will meet Viscount Etienne Davignon, the EEC Industry Commis sioner, and Herr Wilhelm Haferkamp, the Trade Commissioner But the basis of any U.S. EEC deal settling the two dis putes is still far from clear U.S. synthetic fibre producers Continued Back Page

Banks buy Paris office blocks

BY MICHAEL CASSELL

in the centre of Paris in one of Europe's largest office property shareholders of BPGF, which investment deals.

The properties involved will continue to be the headquarters Wagg of London. of Rhone Poulenc, the French chemical, textile and engineering group, until it moves out of the city centre to a new development at La Défense in 1982.

The purchaser, represented and the Champs Elysse in the when Government policy has by Richard Ellis, is a joint heart of the city's business effectively imposed a ban on venture company formed by the sector. Under the short lease-Banque Arabe et Internationale d'Investissement acting on be- Poulenc will occupy the pre- reflects the dearth of investment half of a consortium of private mises until 1982 when the new opportunities and the strong Kuwaiti investors, and the owners plan to spend more than letting market in the city,

TWO international banks have Banque Privée de Gestion £8m on renovation before re paid £55.5m for five office blocks Financière acting on its own letting. The properties were marketed account. Among the major

locally and internationally with bids invited for the whole porthas a particular interest in profolio or individual buildings perty investment, is Schroder About 20 serious offers were made. The investment yield The five buildings on the following completion of the Avenue Montaigne, Cours Albert renovation programme is estimated at between 7 per cent and Ier and the Rue Jean Goujon, provide 38,000 square metres of 7.5 per cent. office space between the Seine

The deal comes at a time office development in the centre arrangement, Rhone of Paris. The purchase price

Welsh stoppage **'backed** by $\frac{1}{4}$ m'

By Robin Reeves,

THE WALES TUC is predicting that about 250,00 trade unionists will take part in today's unprecedented Welsh "day of action" called to protest at the threatened rapid randown of the steel and coal industries in South

More than 100,000 workers are pledged to stage a 24-hour stoppage. Coalminers, railwaymen, dockers, bus and baulage drivers will be joining the 40,000 Welsh steelworkers who have been on strike for the past month over the national pay claim, severely disrupting transport services in the region.

But Wales TUC officials say they have been "absolutely astonished" by the influx of promises of supporting action from trade union members directly involved,

"We are confident that a quarter of a million people will now be either on strike or staging shorter stoppages or protest meetings," Mr. David Jenkins, the Wales TUC's administrative officer said yesterday.

The Wales TUC is demanding a two-year postponement of British Steel's latest plans for cuts and a halt to the increase in cheap coking coal imports to allow Wales a breathing space to deal with the economic consequences of the rundown. It also wants British Steel's top management replaced by a caretaker management and an inquiry into the corporation's com-mercial policies.

Because of the pressure

building up in Wales, British TUC leaders are seeking a meeting with senior Govern-ment Ministers to try to secure a watering down of the plan to make another 52,000 steelworkers redundant by next August. If the Government does not agree, the Welsh steel, coal and transport unions are pledged to begin an all-out strike from March The main focus of today's

24-hour protest will be a mass march and rally in Cardiff addressed by Mr. Michael Foot, deputy leader of the Opposition, Mr. Bill Sirs, general-secretary of the Iron and Steel Trades Confederation, Mr. Laurence Daly, general secretary of the National Union of Mineworkers, and Mr. George Wright, general secretary of the Wales TUC.

Mugabe asks whites to 'stay in Rhodesia'

MR. ROBERT Mugabe, leader years of exile. He appealed to years of exile. He appealed to political situation" against whites to remain in the country. ZANU, particularly by allowing Before addressing a rally at the continued unmonitored use which he was given a tumultuous welcome by a crowd esti-mated at 150,000 to 200,000, Mr. Mugabe told an airport press conference his aim was peace and the establishment of a democratic society in which there would be no racial or colour discrimination.

Mr. Mugbe repeated the theme at the end of his mass rally, during which he spoke mostly in Shona. But he ap-pealed in English to white Rhodesians to "stay with us, please remain in this country and constitute a nation based on national unity."

The guerrilla leader was met at the airport only by his top officials. This reception from his African supporters—which was as big if not bigger than that accorded to his former coleader of the patriotic front, Mr. Joshua Nkomo, two weeks ago took place primarily for security reasons at the Zimbabwe Grounds, five miles from both the airport and Salisbury town

Land hunger

At his Press conference Mr. Mugabe went into some detail on the policies ZANU (PF) would follow if it formed a government after the elections. Mr. Mugabe, who is widely believed here to be planning the introduction of full Marxist policies, said land hunger was the "deepest of all grievances among our people." But ZANU would not seize land from anyone who has a use for it."

Only under-used, abandoned or inefficient farms would be taken over. Britain, the U.S. and other Western countries had agreed to contribute to a land fund which would be used for compensation purposes.

Mr. Mugabe said in other

areas of the economy. "we will try to leave things as they are." the ordinary worker should be able to develop his skills and feel part of the decision-making of any enterprises.

He indicated that in certain areas of the economy, such as mining, it might be necessary for the state to seek partnerships. But the sector was 'crucial" and a ZANU government would not rush into any such action.

He had strong words about of the guerrilla party ZANU Britain, both at the airport and (PF). struck a studiously moderate tone on his return to Rhodesia yesterday after five Governor, of "manipulating the of black auxiliary troops (SFAs), now formally under the control of the army but originally loyal to Bishop Muzorewa.

Armed forces

"Lord Carrington and Mrs. Thatcher assured Mr. Nkomo and me at Lancaster House that the elections would be free and fair. I hope Lord Soames' action here doesn't mean there has been a change in British thinking."

Commenting on the weekend announcement from Pretoria and London that South Africa's 150-strong contingent of troops at Beit Bridge was soon to be withdrawn, he said even if the units left, it would not be a complete pull-out. He alleged that at least 3,000 South African soldiers would remain, possibly integrated into the Rhodesian

Mr. Mugabe was notably conciliatory on a future ZANU government's policy towards South Africa. ZANU did not like apartheid and would work against it in organisations like the Organisation of African Unity, but co-existence, in-cluding continuation of trade,

At his Press conference Mr. Mugabe spoke of the need for integrating all the armed forces in Rhodesia. His party would propose the immediate establishment of a committee to work out how a national army could be formed.

The existence of four virtually separate armies—the two guerrilla armies, the Rhodesian regular forces and the auxiliaries-is seen by many observers as potentially the most serious source of instability in the immediate future.

To the evident relief of all here, including the ZANU passed off peacefully, though at one stage an incident apparently involving a non-ZANU process. But there would not supporter, who some observers be any victimisation or seizure said was armed with a pistol, threatened to develop into an ugly incident. People beat the man with sticks, fists and boots only yards from Mr. Mugabe's official stand.

South Africans to leave Belt Bridge. Page 2. Bridge, Jage 2.

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U.S. negotiator

tries to break

S. Africans to leave **Beit Bridge** 'fairly soon'

FINAL withdrawal of the South African soldiers defending the Beit Bridge rail and road link in Rhodesia will take place "fairly soon." But it will depend on the ability of the Rhodesian security forces to take over, South African officials said yesterday.

The decision by the South African Government to withdraw its bridge guard from the Rhodesian side of the border, announced in a joint statement with the British Government at the weekend, was a direct response to the international outery aroused by the continued presence of South African troops in Rhodesia. It follows a decision by African states at the United Nations to press for a Security Council meeting on

The announcement constituted an unusual admission by the South African Government was responding to political pressure, or what it described as "the political exploitation of the South African military presence on the Rhodesian side of Beit Bridge." Diplomats said South volunteered to withdraw, but insisted that no real pressure had been applied to persuade them to do so.

The decision suggests that the British Government, at least. seriously underestimated the backlash to its agreement to allow the South African troops to remain in Rhedesia. British officials had previously admitted that their continued presence was not simply for military reasons, but also to give "political reassurance" to both Pretoria and the Rhodesian security forces. There has been no confirmation of any alternative reassurance given in the event of a withdrawal.

However, diplomats here insisted that the decision depended on the ability of the Rhodesians to defend the

bridge. The South African presence at Beit Bridge is currently limited to some 150 men, of whom only a platoon of 26 is actually within Rhodesia. However, the agreement allowed the South Africans to

Soviet economy has worst year since 1945

BY DAVID SATTER IN MOSCOW

by inefficiency and labour and national income, a measure delinquency and hampered by roughly similar to gross difficult weather conditions, has national product, increased 2 suffered its worost year since per cent, less than half the the Second World War.

planned 4.3 per cent.

The 1979 results, which were

THE SOVIET UNION has con- only 3.4 per cent in 1979, firmed that its economy, dogged against a target of 5.7 per cent,

Industrial published over the weekend in ductivity, which was to have the Central Soviet Press, under-score the vulnerability of the only 2.4 per cent, an increase economy to the U.S. grain and significantly below even the technology embargoes, which worst results of previous years focus of the five year plan, have drawn the support of and a special disapointment grew only 3.5 per cent against other countries in the west. since the 1976-80 five-year plan a 5.8 per cent target and conIndustrial production rose was to have been the plan of sumer goods or "category B"

"efficiency and quality." The increases in industrial

production and national income were also the lowest since the Secon World War and because they reflect quantitative results and include goods which were produced but never purchased, probably do not represent any increase in consumption at all.

Heavy industry or "category A" production, the traditional

production grew only 3.3 per the plan target. cent (target 46 per cent).

Labour productivity fell by ment for Soviet planners in more than 4 per cent in agri- gas production, which increased culture, and by almost 3 per to 407bn cubic metres, 35bn cent in railway transport. In cubic metres above the 1978 construction it rose by only 1 total and 3bn cubic metres

oil production, which was pre-dicted by the U.S. Central Intelligence Agency, was borne out by the production total for 719m tonnes last year and steel 1979 which was 586m tonnes, 1978 but 7m tonnes short of

There was some encourage-

above the plan target, but coal The slowing pace of Soviet and steel production both decreased in absolute terms, with coal production falling from 724m tonnes in 1978 to production falling to 151m tonnes in 1978 to 149m tonnes

Mideast deadlock

MR. SOL LINOWITZ, the U.S. Middle East negotiator, flew into Cairo last night in an effort to breathe some life into the

order to allow President Anwar Sadat and Washington to play a more effective role in maintaining stability in the Gulf area.

Mr. Linowitz will not see

President Sadat until tonight,
after the Egyptian leader has made what the Cairo newspapers say will be a "very important speech." The officially-con-trolled Press said yesterday that Mr. Sadat's speech would be lations between Egypt and "the talk of all Arab capitals" Israel, the Israeli Cabinet de as the President planned to cided yesterday.

announce measures to be taken The move followed Cairo's against those countries, "led by decision to replace its chief Szudi Arabia," which have cut delegate, Mr. Boutros Ghan, the

Mr. Linowitz is due to fiv to Sandi Arabia this coming weekend and must be apprehensive about the message he will be virtually deadlocked talks carying with him from Cairo, between Egypt and Israel over especially if Mr. Sadat claims Palestinian autonomy.

Egypt and the U.S. agree that recent joint Egyptian U.S. miliprogress on the Palestinian issue tary exercises has become even more vital in The process of establishing that the Saudis participated in

normal relations between Egypt and Israel, which officially started on Saturday, is meanwhile suffering a predictable attack of hiccoughs

L. Daniel adds from Tel Aviv Mr. Ezer Weizman, Israel's De-fence Minister, will in future head the committee implement-ing this coming weekend the agreement to normalise re-

relations with Egypt and acting Foreign Minister, with imposed an economic and Mr. Kamal Hassan Ali, the Depolitical boycott.

Visa confusion dams the tourist flow at El Arish

BY DAVID LENMON AT THE EL ARISH BORDER POST

THE LAND border between Israel and Egypt opened yes-terday amid confusion and contradictory orders which kept the flow of travellers to

Although the border opening was part of the "normali-sation" of relations, most tourists who came here to cross into Egypt were turned back because they did not have entry visas—an ahnormal requirement about which no-one had been warned.

Officials on both sides appeared to be surprised that the historic event actually took place, and only a small number of tourists, including one Israeli woman, managed to cross into Egypt. An official said visas had to be prepared in advance by those wishing to enter Egypt via El Arish, something which he said was not demanded at other points of entry.

Even a convey of UN trucks
heading for the camp at Ismailia, having previously passed through the border daily, were told they would now need special visus. It took some hours for this to be The largest single difficulty

arose over a tourist has from Tel Aviv carrying 25 people on the inaugural run to Cairo. They were first refused entry to Egypt, because of the lack of visus, then the Governor of North Sinai said he would let them through " because this is a special occasion." Later his order was counter-manded by a Deputy Minister

of the Interior. As night fell over this desert outpost the coach load of tourists finally had to give up their attempt to enter Egypt.

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W. German Opposition urges Olympic Games boycott

BY ROGER BOYES IN BONN

Government is coming under mounting pressure from leading Opposition politicians to support Western boycott of the Moscow Olympics.

Herr Hans Dietrich Genscher, the West German Foreign Minister, has meanwhile called in Mr. Vladimir Semyonov, the Soviet ambassador to Bonn, and stressed that Moscow should create the conditions which would enable all states to participate in the Olympic Games."

However, Herr Genscher. whose impending visit to has been cancelled. Prague significantly short of stopped giving Mr. Semyonov Olympic boycott ultimatum.

The Opposition is clearly concerned that Bonn will rule out the option of an Olympic boycott or at least delay a decision to such an extent that its impact will be reduced. Herr Franz

elections, said at the weekend that the Bonn Government would risk "the psychological collapse of the alliance" if it ruled out the possibility of a boycott. None the less, said Herr Strauss, an Olympic boycott Britain has pursued. should be only one of a package The country's of measures against the Soviet

Similar calls came from other Opposition politicians while leading Social Democrats—in-Frau Annemarie Renger and Herr Georg Leber, who are vice-presidents of the Bundestag (lower house)-have also made clear that Bonn's current priority should be unambiguous support for Wash-

While Bonn has expressed its solidarity with President Moscow, or postpone or cancel Carter, it has been caught the games in protest against

THE WEST GERMAN coalition Josef Strauss, the Opposition's between its commitment to the military official rival to Chancellor Western alliance and its Helmut Schmidt in this year's dependence on "Ostpolitik," the conciliatory policy towards executive board adopted a reso-Eastern Europe which has, for lution urging the IOC to take example, reduced pressure on such action if Soviet troops West Berlin. Bonn is thus keen on a joint EEC move rather than independent action, such as by Mr. Carter.

> country's National Olympic Committee has so far proved to be unhappy about a boycott, but according to a public opinion poll published last week, 71 per cent of Germans are now in favour of some kind of Olympic boycott. Reuter adds from Colorado

Springs: The U.S. Olympic Committee, acting on a request President Carter, asked the International Olympic Commit-International Olympic Commit-tee at the weekend to shift the Godsend for Hitler, who 1980 summer Olympics from managed to squeeze the last 1980 summer Olympics from

February 20, the deadline set Tony Walter adds from Peking: China has given its strongest indication that it is

In a unanimous

intervention

in the Communist Party newspaper, People's Daily, describing the 1936 Olympics in Berlin, recalled Hitler's use of the games as a propaganda weapon and the unsuccessful attempts by other countries, including the U.S. to organise a boycott. The People's Daily said the ounce of propaganda value out

considering boycotting the

Olympic Games. A commentary



Bani-Sadr — a radical Islamic nationalist

BY SIMON HENDERSON IN TEHRAN

are anything to go by, the rest insurance companies series of shocks over Iranian rash, unplanned and contra-

November and an influential just before Christmas. This Movember and an initionial declaration was all the more member of the Revolutionary astonishing because the Com-Council for even longer, Mr. merce Minister was that very

dictory.

IF Mr. Abol Hassan Bani-Sadr's financial moves. He led the activities during the past year nationalisation of the banks and of the world is in for a dizzying summer, and a (misquoted) report about him led the West to series of shocks over trainian fear that Iran was going to policy. At times it will seem renege on its foreign debt. A further surprise came

As Finance Minister since nationalisation of foreign trade

the private sector In fact a senior Finance been working closely with a industries. Ministry official has admitted group of young economists, in-Mr. Ba that both the nationalisation of banks and the attempted move to withdraw funds from U.S. banks at the beginning of the crisis over the American hostages were announced as policy before Mr. Bani-Sadr told his ministry.

Bani-Sadr's future Mr. measures can be expected to be Islamic, radical and nationalist. patrol up to 10 kms away from Bani-Sadr has already been day outlining to importers forth- He has already catalogued the responsible for several radical coming measures to encourage Koran in terms of its teachings revenues. Instead he wants to closer to God."

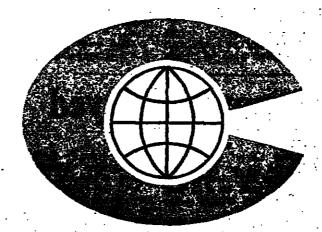
on economic matters, and has build up agriculture and small cluding Mr. Alireza Nowbari. the Central Bank Governor. All words of the new Islamic conare determined to transform Iranian society.
On oil, Iranian policy can be

expected to develop further. Mr. the needs of all human beings, Bani-Sadr, who has written a unlike other economic systems paper on "Oil and Domina- where the objective is concention," was talking only last week tration of wealth and profit-about the need to change the seeking In Islam, economics is country's economy to reduce the a tool which must be to attain country's dependency on oil the objective of bringing man

Mr. Bani-Sadr can be expected to adhere closely to the stitution in the economic field: "The underlying principle in Islamic economics is to satisfy

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reak

Chemical industry protest over EEC-Yugoslav pact

THE COUNCIL of European Federations — CEFIC — is permission to sell pharmaexpected to protest to the European Commission this week granted if a foreign licensor over plans to rush through a transfers ownership of its trade bilateral co-operation agreement marks to a Yugoslavian combetween the EEC countries and Yugoslavia.

CEFIC believes that a series

of Yugoslavian laws on patents, free to export it to other medicines and technology countries.

Licences presents a direct threat But Yugoslavia is planning to to Western chemical companies which trade with Yugoslavia. It feels strongly that the concluding of a bilateral agreement should be postponed until these laws have been modified.

However it recognises that the international situation has given. If it is passed—and it is Yugoslavia a peculiarly strong expected to come into operation bargaining position. It notes next month—only process techthat the European Commission now seems anxious to speed up negotiations on a bilateral agreement for political reasons - President Tito's illness and Russian invasion Afghanistan.

attention of the Commission to ments for Western technology the three Yugoslavian laws It enables Yugoslavian comwhich, it claims, are likely to panies to exploit the technology industry. But it is understood to have received no response

The first of the laws concerns Manufacturers' medicines and lays down that ceutical products will only be granted if a foreign licensor marks to a Yugoslavian com-pany. CEFIC points out that the Yugoslavian owners of a trade-marked product are then

> go one step further in the pharmaceuticals field by abolish-ing patents on drugs altogether. The patents law, which is now in draft form only, would affect plant protection products and foodstuffs as well as medicines. next month—only process tech-nology in the medicines, foodstuffs, veterinarian products and agrochemicals fields would be patentable in Yugoslavia.

Yugoslavia also has a longterm co-operation law (already in force) which places severe CEFIC has already drawn the restrictions on licensing agreemention of the Commission to ments for Western technology. of a foreign producer in virtually any way they wish once a licensing agreement has

place any limitation on exports and the Yugoslav partner has a statutory obligation to export at least 40 per cent of the value of any imports covered by the licensing agreement. Yet the Yugoslavian partner has no obligation to keep the technology secret for more than three years after the agreement itself has expired.

CEFIC argues that these laws mean Yngoslavia will be able to take over West European expertise in the chemicals field and use it to threaten the markets of the original developers of processes and products. It believes the laws at present sufficiently restrictive to discourage mos Western European chemical companies—particularly pharmaceutical producers-trading with Yugoslavia.

But CEFIC fears that if Yugoslavia is able to conclude a bilateral agreement with the EEC without amending its laws in any way then other so-called developing countries will decide to follow suit. It believes that if a precedent is set, the results could be highly damaging to Europe's chemical

BY ANTHONY ROWLEY IN HONG KONG

But though there is welcome Haddon-Cave had esti-consumer goods imports—which recently that the 1979 the Government has induced The December deficit was policies—there was also a fall HK\$835m, which was sharply in industrial material imports, down on the December 1978 which has bearish implications

for future exports. Domestic exports grew less rapidly in December than in preceding months and re-export growth

For the whole of 1979,

Nott calls for more open markets

MR. JOHN NOTT, the UK Trade Secretary, urged newly industrialising countries to open their markets to consumer exports from developed nations in return for access to the developed countries'

Mr. Nott said at the end of a two-day visit to South Korea that unless the newly industrialising countries were prepared to accept a wide range of exports from countries like Britain, they could not expect their own foreign markets to expand in the long term.

"In many of the most advance and competitive developing countries, imports of manufactured goods are largely confined to products which these countries do not themselves make," Mr. Nott

"In other areas, notably consumer goods, some countries still cling to highly protective import regimes. These regimes have served a purpose in the past, but this does not continue to be the

"It is in the interests of the newly industrialising countries themselves for a much wider range of manu-facturing to be opened up steadily to international com-

Mr. Nott pointed out that South Korean manufacturers had been able to capture 39 per cent of the British cutlery market, which had been supplied by a long-established local industry.

During talks with South Korea Ministers, the British Trade Secretary welcomed recent moves by Korea to ease restrictions on imports of manufactured goods.

S. AMERICAN MOTOR INDUSTRY

Andean nations gear up

the development of the automo-tive industry in northern South America is beginning to take shape following the recent decision by Peru to give Volkswagen the edge over other comassembling Passat car and 5-61-ton truck.

This is seen as an important forward step in a sweeping programme to enable the five Andean Pact countries of Peru, Bolivia, Ecuador, Colombia and Venezuela to develop a regional motor industry. The objective is for the Five

to achieve an economy of scale which would be "fully which would be "fully efficient" in relation to the size of the market—currently around an annual 300,000 vehicles—by establishing economic guide-lines on the number of assembly plants and model types unler production in their countries.

The objective is being pursued under the Andean Automotive Industry Development programme, and under it the Five hope by 1985 to have 70 per cent of all vehicle components produced locally. At the moment. Peru is the most

phoric acid producers. Triomf

The sale is believed to set

buvers last vear.

BY BERNARD SIMON IN IOHANNESBURG

and Fedmis, have signed a of which more than 80 per cent \$117.5m (£51.5m) contract to is exported. The export capacity

supply Brazil with 250,000 tons of Fedmis's phosacid plant, of phosacid in 1980. which is in the north-eastern

prices negotiated with Brazilian producer. Besides Brazil, its

Most of the fertiliser material Japan, Europe and Australia.

for Brazil will probably be sup
Mitchell Cotts Projects S.A. Petrobras, ti
plied by Triomf, whose Richards has been given a letter of intent oil company.

THE EMERGING pattern for respect, with 30 to 35 per cent Fiat. local production capability. The required investments are expected to amount to several billions of dollars, including investments in forges and foundry and engine assembly

> had originally Planners only would handle the assembly in the five countries, but the pact signatories have been reluctant to allow establishment of such a monopoly. Those companies in the lead

are Volkswagen, Renault, Fiat, General Motors and Ford. Nissan, Toyota and Volvo are still in competition, but Chrysler has dropped out of the race due to its financial Peru, in addition to its

rent commitments to Volkswagen, is also to produce a second, medium-size passenger car, another medium-size truck and a heavy duty truck of more than 17 tons. The second make of car must use a Venezuelanmade engine, although Venezuela has yet to define the size of the engine. It has agreed, however, that such an advanced country in this engine will be manufactured by to assemble.

Brazil buys S. Africa fertiliser

capacity of close to 400,000 tons,

Transvaal, is 150,000 tons. Ex-

the remaining half-year. This South Africa is already the Brazil and King-Wilkinson of is roughly \$100 per ton above world's largest phosphoric acid Houston will carry out the com-

largest export markets are

Over <u>15 times</u> faster.

Ecuador has selected Volks wagen and General Motors to produce two models it has been assigned under the part — the medium-size Golf passenger car

and a small truck with a gross vehicle weight of 3-12 tons.

Colombia has selected Renault, already a local assembler, to build two models of passenger car. Colombia has yet to select the company which is to assemble medium-size trucks and a four-wheel-drive cross-country vehicle. Fiat is already assembling in Colombia as is General Motors, which Leopold de Rothschild. recently bought Chrysler's plant there as well as in Venezuela. Venezuela has already signed a contract with Pegaso of Spain and General Motors to assemble models assigned to it.

Would - be assemblers are required to commit themselves to exporting vehicles and components to countries outside the Andean Pact and to incorporate parts produced in other Andean Pact countries as well as to promote local investment in their plants. The Andean Pact has up to March 31 to complete selection of the makes each is

management, engineering and

construction of a coal prepara-

tion plant at Trans-Natal Coal

Corporation's Hlobane colliery.

This plant is scheduled for com-

plete design of the topside faci-

and production platforms for

Petrobras, the Brazilian state

Top UK mission to Mexico

By William Chislett in Mexico City

A BRITISH private sector mis-sion, which reads like a who's who of industry, arrives here today to pursue investment possibilities in Mexico's decen-

tralised areas. The mission, which will meet Mexican President Jose Lopez Portillo, ministers and top officials is probably the most distinguished from Britain to visit

The mission includes Mr. Leopold de Rothschild, director of N. M. Rothschild, Sir John Buckley, chairman of Davy Corporation, Lord Nelson, chairman of GEC, Mr. Michael Caine chairman of Booker McConnell the Earl of Incheape, chairman of Inchcape. Sir John King, chairman of Babcock Inter-national, Mr. J. C. Gilbertson, vice chairman of Metal Box, and Viscount Weir, chairman of the Weir Group.

They have formed a joint liaison committee with repre-sentatives of the Mexican public sector including Pemer the oil monopoly, the Federal Electricity Commission and Sidermex, the state holding company for steel.

Government Tte reportedly earmarked Pesos 4bn (\$177m) this year for ports and is expected to put out SOUTH AFRICA'S two phos- Bay plant has an annual by General Mining and Finance Corporation for the project

Lazaro Cardenas this month and Tampico, in March. Reuter adds from Tokyo: A team of leading Japanese businessmen are in Panama to discuss a joint \$8.3bn project to build a new and wider Panama Canal. The team will a price of \$450 per ton for the pansions currently under way first six months, and \$490 for will raise this by 50,000 tons. the remaining half-year. This South Africa is already the Brazil and King-Wilkinson of inspect several possible sites for

Japan's Penta-Ocean Con struction Company has proposed lities for two oil and gas drilling a new 98 km canal west of the existing waterway to allow the passage of vessels up to 300,000 deadweight tons.

the canal project,

Hong Kong deficit at £898m

HONG KONG'S visible trade figure of HK\$1.29bn. This deficit last year was HK\$9.9bn reflected a sharp fall-off in the (£598m). This was some growth rate of imports during HK\$700m up on the 1978 deficit, the last month of the year. but was not as bad as had been feared. Financial Secretary Sir evidence now of a fall-off in the deficit would reach HK\$10.6bn. through its monetary and fiscal

Mitsubishi

By Richard C. Hanson in Tokyo

JAPANESE INDUSTRIAL

robots are making inroads into Europe. Following Hitachi's sales tie-up with Durr of West Germany Mitsu-

bish Heavy Industries (MHI)

has reached a basic licensing

agreement with Shlaky of

planning to produce Mitsu-

bishi robots capable of spot welding, initially for use by

This will be the first time

Japanese company has

licensed robot technology overseas. MHI exports very

little in the way of robots, which it produces in Japan for its subsidiary car maker,

Mitsubishi Motor Company.

The model to be licensed in

France is dubbed the RC module type.

With the normalisation of relations between Egypt and

Israel the first commercial

contracts have been signed.

our Tel Aviv correspondent

An Egyptian agent. Hassan

Ismail, has concluded four

provision contracts, to be im-

plemented one month after normalisation, for water equipment. This includes a

contract for 100,000 water meters with Kibbutz Dalia

(with an option for another 100,000 for delivery in 1981),

and three contracts, worth \$500,000 each, for piping with the Middle East Tube com-

pany of Acre and another for

valves and pumps with a

Ann Ansaldo Meccanico Nucleare, subsidiary of state-

controlled engineering hold-

ing company Finmeccanica, and Gie Gruppo Industrie

Impianti All-Estero has signed a \$500m contract to

build a power station in Iraq,

Reuter reports from Rome.

The 1,320 megawatt power station will be oil-fired and is due to be completed in five

Swiss car sales, which consist almost wholly of imports, rose by 2.5 per cent last year to 272,072 units, Market leaders were still Volkswagen, with a market chara of about 12 per

were still Volkswagen, with a market share of about 12 per cent, followed by Opel, with Ford and Renault tieing for third place, John Wield writes from Zurich. Japanese imports surged again with every Japanese emmany except

Japanese company except Toyota achieving a rise of over 20 per cent. However, BL

and Chrysler of the U.S. both suffered a 30 per cent drop

Brinesco, a North Stafford-shire ceramic concern, has

broken into the Chinese market with a £500,000 order to supply tunnel kilns for a factory near Nanking. The

company will supply the high temperature kilns for a factory making spark plugs.

UK kilns for China

in sales.

Haifa-based company.

Iraq power project

Elettromeccaniche

Swiss car sales up

Egypt-Israeli deals

French

Peugeot Citroen.

robots for

France

slowed too.

domestic exports rose 37.4 per cent to HK\$55.9bn while reexports rose 52 per cent to HK\$20bn. Imports meanwhile rose 36 per cent to HK\$85.9bn

SHIPPING REPORT

Dry cargo rates stage small rally

BY WILLIAM HALL SHIPPING CORRESPONDENT

cargo market have staged a small rally over the past fort-night, although they are still well below the levels prevailing before the U.S. announced its Russian grain embargo.

Gulf/Holland-have moved back up to \$16 a ton but, rather smaller vessels continue to be under pressure. In the time market. Galbraith Wrightson reports that some period business is being negotiated and rates have stabilised in the short-term. They could even improve slightly.

The coal trades have been fairly active, and the rates for 50,000-ton cargoes : from America's Hampton Roads to Japan-a good barometer of the coal trade have increased by around \$1.50 a ton to \$18 a ton. By contrast, the British steel strike is starting to affect the demand for ore carriers. The British Steel Corporation erranges around 1.000 ship fixtures a vear (roughly 20 a week), and imports 20m tons

BY WILLIAM HALL

efficient.

UK.

Germany

Belgium

EVERGREEN LINE, the fast-

growing Taiwanese shipping group, last week took delivery

tainers (TEUs), is 50 per cent

larger than Evergreen's earlier

vessels and is considerably more

Evergreen has another two

.800 TEU container ships due

for delivery in May and August.

In addition, it is negotiating for

another two 1.800 TEU ships

As a non-conference operator

Evergreen has made consider-

able inroads into the markets

served by members of the Far

East Freight Conference. It started operating between

Europe and the Far East last

May and now employs six 1.214 TEU container ships on this route giving it an annual

Ford UK recently switched to Evergreen, much to the dismay of the Ear East Conference

capacity of 42,500 TEUs.

and two 950 TEU ships.

second large container

The other major feature of the market in recent weeks has

the tanker markets, imports.

Evergreen expands fleet

ship. The vessel which can new "L"-class ships, which can carry 1.800 twenty-foot concarry 1800 TEUs and have a tainers (TEUs), is 50 per cent service speed of 21 knots, are

World Economic Indicators

6,039,0 8.2

296.1 7.3

UNEMPLOYMENT

Jan. '80 1,338.8

6,087.0

1.370.0

6.8 866.8 3.8 216.7

FREIGHT RATES in the dry brokers report that last week was fairly uneventful, despite the continuing tension in the Middle East. The rates for 250,000-dwt VLCCs for voyages to the West are hovering around Worldscale 421. Among the In the Atlantic grain trades, bigger ships, Chevron fixed a rates for Panamax sizes—U.S. 417,000 dwt ULCC at Worldbigger ships, Chevron fixed a scale 30.

E. A. Gibson reports that a nage is now building up in the Arabian Gulf. Between now and the end of February 11 ships (3.4m dwt) are looking for cargoes, and 57 more ships (14.8m dwt) should become available for further employ-

been the dramatic drop in tanker rates in the Caribbean because of overtonnaging. 48,000-tonner is now having to accept Worldscale 100. compared with Worldscale 375 less than two months ago. For 95,000 torrers, Amoco was able to fix a vessel at Worldscale 57. Clearly, tanker operators must be praying for the onset of a severe cold spell which will lead to a surge in U.S. oil

Over the last year Evergreen

has pursued a policy of build-ing larger and faster ships. The

replacing some of the group's

Evergreen reckons that the

new L'-class ships burn roughly the same amount of fuel

class ships on the Far East/

Europe run, although they will

be bale to carry 50 per cent

One of the biggest advantages

however, is the reduction in manning levels. A crew of 16

compares with crews of over 20 on other Evergreen ships and crews of 36 on larger con-

tainer ships operated by rivals

The latter has recently em-

barked on an expensive re-

engining programme in an effort

to match Evergreen's operating

Nov. 79 1,282.0 5.3 Oct. 79 6,182.0 6.0 1,340.0 5.8 761.7 3.3 207.4

Jan '79 1,339.2

1,328,3 5.8 1,006,7

4.4 219.7

such as Overseas Containers.

(70 tons a day) as its

1976 built ships

more containers.

That's how companies grow

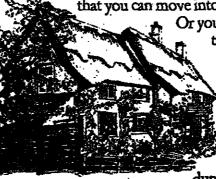
Between 1971 and 1979, 145 industrial firms set up in Peterborough. Their combined job-growth has averaged 15 per cent a year. In the same period employment in Britain's manufacturing industries dropped by over 1 per cent a year.

Most new firms moved into our advance factories. Some built their own. But for almost all, the effect was the same-jobs, output, exports, profits up.

It's the Peterborough Effect. What produces it?

Is it the room to grow-and grow again?

The choice of sizes - 500-40,000 square feet - helps. And the fact that you can move into a bigger one as soon as you like.



Our big, non-stop factory building programme is privately financed. So we guarantee you the space to expand-for years ahead. And in top quality buildings designed

instant use. Competitive factory rentsfrom as low as £1.60 a square foot-

Is it good communications?

minutes from King's Cross by train. There are 28 fast trains daily into London and direct services to Harwich, Birmingham, Manchester and other major cities.

Rail journeys from London of between 45 and 60 minutes.



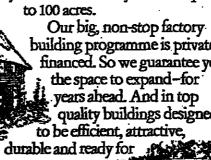
The A1 gives excellent car and road haulage links to the rest of Britain. And Peterborough is the major growth point closest to the expanding East Coast ports of Felixstowe, Harwich, Yarmouth and King's Lynn.

Is it the skilled and stable work force?

Well, it now totals 65,000 people (more than half in manufacturing) with a range of skills founded firmly in the city's engineering traditions, but extending into the latest technologies and services.

in one British city.

Or you can lease or buy a site of up



Peterborough is only 46

Companies experience far less job-switching than they knew

Most report much higher productivity, better staff relations, and disputes and stoppages far below the national average.

Is it low cost housing to rent and buy?

Good living conditions are more likely to produce a good workforce.

We offer a modern home to rent or buy for every employee a firm brings to Peterborough or recruits from outside the city.

single people, for young and old-are in small neighbourhoods, not large estates. And for every new family we planted more than a hundred trees and

There are hundreds of homes to buy every week in all sorts of styles and sizes. A three bedroomed house with central heating can cost less than £16,000.

Those who prefer older houses will find plenty for sale around the city and in pretty villages within 20 minutes of the centre.

established community?

Peterborough's history predates even its Norman cathedral by several thousand years. People who move here aren't expected somehow to create a community out of nothing.

There are over 400 clubs and societies covering every kind of social and recreational interest. And dozens more for managers and executives, for professionals in private practice and business, for technicians and technologists.

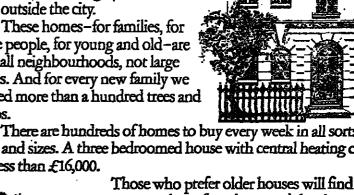
is it the happy blend of old and new?

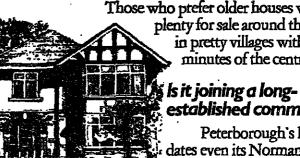
In the heart of the city we're creating a superb covered shopping centre, built of stone and brick. It's being carefully knitted into old street frontages to give Peterborough a city centre unique in Britain for its distinctive character, outstanding visual qualities and vitality.

None of these things alone produces the Peterborough Effect. It's that rare combination -all of these together in one city-

Peterborough (0733) 68931.

It must be the Peterborough.





NEB affirms support for Insac subsidiary

BY GUY DE JONQUIERES

its continued support for its computer software subsidiary minority stakes.

The decision is one of the about the Board's future disfirst taken by the new board members appointed last November. It is apparently intended to quell recent doubts and speculation about the future of IPL, which aims to develop UK exports of sophisticated computer programmes.

The venture has been among the NEB's politically more controversial undertakings and is regarded by many in the Industry, including some of IPL's own member companies, as still having to prove its commercial

In the past few weeks the chief executives of two member companies have announced that they would no longer sit on

THE NATIONAL Enterprise achieved in its discussions. Their the IPL board to reflect a Board has reaffirmed publicly companies will, however, still wider cross section of the softbe represented on the Board. One of the men, Mr. Peter Insac Products (IPL) and for Adams of Systems Programming the latter's five member com- has also asked the NEB to sell panies, in which the Board holds its holding in his company on the grounds that uncertainties

> He said at the weekend that his request stood, in spite of the Board's renewed commitment to IPL and its member companies. The Board has yet to announce whether it is prepared to sell the holding.

> posals policy were an unsettling

After the resignations the NEB disclosed that it is reviewing the arrangements governing the operating relationships between IPL and its member companies and the possibility of IPL cooperating commerclally with non-members.

It appears in no hurry to decide on either question, though it is understood to be the IPL Board because of dis-looking at the possibility of satisfaction at the slow progress broadening the composition of

ware industry.

In this event IPL's operating activities would probably be handled through a committee on which member companies would be represented by liaison officers rather than by chief executives on the board.

IPL is keen to extend its commercial activities beyond its member companies. But recognises that any move this direction would be likely to arouse strong objections from such companies, which fear their privileged relation ship with the organisation would be undermined.

The NEB has still to discuss future funding for IPL as well as for its sister organisation. Insac Viewdata, set up to pro-mote export sales of systems based on the Post Office's Prestel.

This Î5 an information system which links television sets to a network of computers through

Talks on Japanese car imports

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

UK and Japanese motor indus- to Britain. tries meet tonight in the Mexican resort of Acapulco to discuss a start today are simply "an continuation of the voluntary exchange of view" between the continuation of the voluntary restrictions on vehicle shipments from Japan to Britain.

The talks will continue until Wednesday afternoon and it is almost certain that the Japanese will agree to continue to take a "prudent" view of the UK market and its prob-

In the past this has meant the Japanese restricting shipments of cars and light commercial vehicles to the UK so that their penetration of the market remains between 10 and 11 per cent. There is also an agreement that no trucks of year will be significant. The over 3.5 tonnes gross weight UK new car market is expected

to prevent the party's Commis-

sion of Inquiry from recom-

reforms that could alter the

BY RICHARD EVANS, LOBBY EDITOR

are pinning all hopes on the tion of the inquiry, which will

mending a series of extremist conference in the autumn.

REPRESENTATIVES of the are shipped direct from Japan Formally the talks which Society of Motor Manufacturers of the UK and the Japanese Manufacturers Automobile

Labour moderates pin hopes on unions

the party

MR. JAMES CALLAGHAN and it is now accepted there is no Sir John Boyd, will probably a more moderate NEC at the other moderate Labour leaders hope of changing the composi-stick together and exert a party conference.

the Left-dominated National Basnett, Mr. Moss Evans, Mr. composition of his union delega- and the automatic reselection of

New postal rates from 4th Feb.

As from 4 February 1980 there are new postal

National Rate

rates for Inland, Overseas, and H.M. Forces mail.

Your local post office has leaflets giving all the details.

INLAND PARCELS.

Executive Committee last week. Clive Jenkins, Mr. Bill Keys and tion so that they will vote for MPs in each Parliament.

on the climate of opinion in the two countries. As neither organisation has any executive power — they cannot give their members instructions—the talks usually end with a rather bland com-

Association. The idea is that

they enable the industry rep-

resentatives to give their views

atunique. But any statement that indicates the Japanese are willing to continue restrictions this

meet on February 8 and pro-

poses to produce recommenda-

But there are signs that Mr.

Callaghan believes the five

before

to fall from 1.71m to at least 1.6m this year and the Society's forecast is 1.5m. If the Japanese stick to a market percentage formula, sales of their cars in the UK would fall for the first time since they were introduced to Britain.

The Japanese will certainly maintain that their restraintand they have scrupulously abided by their undertakings in the past - has not helped which it was designed to protect, but the European car makers.

But the Society will point out that the growth in normal imports from the other EEC countries to the UK has been relatively slow—market penetration has risen from 19 per cent to 23.2 per cent between 1975 and 1979.

moderating influence of the

largely Left-wing.

remaining members, who are forces on the NEC would mean

There is also a continuing towards any extreme recom-hope that Mr. Terry Duffy, mendations made by the com-president of the Amalgamated mission on the drafting of

Union of Engineering Workers, Labour's election manifesto,

Make sea polluters pay up, councils urge

action to ensure that those the unsatisfactory nature of responsible for causing pollu- existing compensation arrange tion at sea should bear all the ments. costs involved in dealing with it has been made by the for all costs which should not Association of County Councils. be allowed to fall on the local

The association is also to ratepayers." support proposals for a Euro- The polluter pays principle pean fund to which potential should apply in all cases, it polluters operating in Europe adds. International and national would contribute to cover the costs of both identified and unidentified pollution.

recommendations are sion on Marine Oil Pollution. The association, which reprecounties in England and Wales, industry to accept and ing the Tarpenbek, off the Isle of Wight, and the Eleni V in operations.

CALL for international the North Sea have highlighted

"A fund should be established

legislation should be effectively enforced and penalties in

The association also calls for included in the Association's an early decision on a national evidence to the Royal Commiscontingency plan for major oil pollution of the coastline. More pressure should sents all 47 non-metropolitan brought to bear on the oil says: "Recent incidents, includ- process or dispose of oily wastes resulting from clean-up

CBI seeks to alter law on re-engaging strikers

BY OUR INDUSTRIAL EDITOR

urged by the Confederation of the Bill, sent at the weekend to British Industry to amend its Mr. Jim Prior, Employment Employment Bill so that com- Secretary, which broadly follow panies could choose which its known policies. employees to re-engage after a

either re-employ all strikers or none at all. This is covered by ought to be specifically linked a provision in the existing with the proposed Code of Prac-Employment Protection Act to tice so that employees are proprevent discrimination.

Now the CBI wants employers closed shop is not being operated to have a choice. It has set this in line with the Code.

Government has been out in its formal comments on

The CBI wants the Bill tightened on a number of other At present a company must points, including the closed shop provisions. It says that the Bill

Kodak raises film prices

THE RECENT sudden rise in that international pressures will the price of silver has forced ease and that silver costs will Kodak to increase prices of films soon reduce significantly. If and photographic paper by 10 to 80 per cent from today.

Mr. M. J. George, sales higher cost of silver in manufacture. Naturally, it is our hope films 80 per cent.

A change in the balance of

a very different attitude adopted

that does happen, we expect to reduce our prices.

Prices of professional black and-white papers are raised by manager for consumer and pro-fessional markets, said: "Each 30 per cent, Ektachrome paper 30 per cent, Ektachrome paper price adjustment reflects the 30 per cent, black-and-white film by 45 per cent and some X-Ray

Housing setback cuts brick

BRICK PRODUCTION is Britain rose by 1 per cent last year but deliveries were 4 per cent down on 1978 according to provisional figures published yesterday by the Department of the

The fall in deliveries may in part reflect the sharp drop in housebuilding last year, particularly in the public However,

weather in the early part of 1979 — which ...effectively limited construction work last year to nine months—may have been a further factor.

Cushioned

Bricks in recent years have been more widely used in construction work, and to some extent this has helped to cushion the decline in isebnilding last year.

According to the Department figures around 4.9hn bricks were delivered last year compared with 5.1bn in 1978. Production rose from 4.85bn to 4.9bn. In the fourth quarter brick

production was 1 per cent lower than in the previous three months but equal to production in the corresp ing period a year ago. De-liveries were 4 per cent down on the previous three months and also 4 per cent lower than a year eariier.

In December 327m bricks were produced against de-liveries of 288m. Stocks rose from 532m to 571m-representing about six weeks' production.

 According to the Department cement deliveries in Britain rose by 1 per cent last year, averaging 286,000 tonnes a week. Clinker production also rose by I per

deliveries

International has finally been International's relationship

advice centres may be forced to close as a result of the Government's decision to withdraw its £4m a year grant from the end of the current financial year, it was said yesterday by

consumer pressure groups, writes David Churchill. The Advice Services in Crisis working party, which represents a number of consumer organisa-

20 advice centres will survive unless more funds are made

The working party says: "We recognise that local authorities are under pressure to cut costs. but unless local authorities are willing to make up some of the shortfall caused by the Government's decision expert consumer advice may simply disappear for tions, says 21 advice centres large numbers of people are in the process of being especially outside London."

Call to freeze farm aid

A FREEZ on EEC financial support for farmers is demanded today by a European consumer group, writes David Churchill. The call is made in the first annual report of the Consumers in the European Community Group, a body set up to bring together organisations conwith EEC consumer

it is having such problems with surpluses and the strain they impose on the budget, would be flying in the face of common-

was disappointed with the EEC's decision last year to raise agri-cultural prices. "We do not want to see the expensive mistakes of the past repeated," she

costs rise less steeply BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

Dairy, meat and vegetable

FINANCIAL TIMES SHOPPING BASKET IANUARY 1980 586.89 185,07 189.44 Sugar, tea, coffee soft drinks 77453 278.02 Bread, floor and ceresis ves and dry groceries. 45.92 45.10 ces and pickles 176.86 172.77 Canned goods 214.73 211.43 Frozen foods 507.76 Meat, bacon, etc. (fresh) 234.99 Fruit and vegetables 245.07 Non-foods 2,560.82 252407

Index for january: 120,47 1979: January 108.54; February 198.55; March 109.12; April 110.88; May 113.59; June 116.02; July 114.79; August 114.16; September 114.17; October 114.95; November 116.36; December 118.74.

1980: Janattry 120.47. single cost in the basket

index-rose less than 1 per cent to a cost of £591.26. Next month the cost of the dairy sector can be expected to increase sharply as a result of the rise in the retail price of milk. The price of a pint is due to go up by 11p to 161p on February 17. The price of sterilised milk will increase 2p

cost 181p. The fresh meat section of the basket showed the biggest percentage price rise, by 2.6 per. cent to £507.76. But there is still EEC's green pound.

concern in the meat industry
that the level of retail prices are
too lew to give all areas of the
All induiries should be made to Levisde
trade an adequate profit margin. Wetherall at the Financial Times.

owns International

bought the Argos stores chain

half the adult population and about 50,000 outlets gave stamps

Green Shield now has only

just over 8,000 outlets in the

UK including some petrol

stations and small grocers'

shops. The company is moving

into other forms of promotion,

Further expansion in this area

will depend on the outcome of the House of Lords appeal on Imperial Tobacco's instant lot-tery promotion. The House of

Lords last week began hearing Attorney-General's appeal

and a decision is expected in

early February.

If the House of Lords upholds

the legality of such lotteries, a

number of consumer goods

manufacturers may consider

using them to boost sales.

this lottery was unlawful,

such as lotteries and games.

All the other sectors of the although this influence is diluted basket showed slight cost in in the overall weighting of the creases, apart from the creases, apart from the preserves and dry pickles section, which remained broadly

the some in price. There were no reports by FT shoppers of any shortages of canned goods caused by the steel strike. In the trade it is under stood that camed food supplies in the pipeline are sufficient for another two months, unless an increase in secondary picketing to reach 1749. Gold top increase in secondary picketing from Channel Island cattle will disrupts the production chain. In the longer term, the cost of food will almost certainly continue to rise steadily this year as a result of the recent 5 per cent devaluation of the

International Stores Reform of drops trading stamps

which

BY DAYID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

FT GROCERY PRICES INDEX

THE Financial Times Grocery

Prices Index increased 1.5 per

This increase differs from

rises in recent months, because

it results from an across-the-

board rise in prices rather than

a few large increases in par-ticular sectors.

Previously the index has

risen sharply largely as a result of large increases in the

price of the dairy, meat and

fresh fruit and vegetable sec-

But this month these sectors

produced only small overall increases. The rise in the cost

of fresh foods and vegetables

was much lower than had been

expected, given the cold weather this month in some

parts of the country which

normally reduces the supply of fresh fruit and vegetables

and leads to higher shop prices.

The fresh fruit and vegetable

sector of the basket rose only

ing a total £240.01—compared with the 8.6 per cent jump in prices just before Christmas.

The smaller increase this

month may reflect the fact that

not all producers have been hit

by the had weather and the

exceptionally fast rise in prices

The Financial Times Grocery

Prices Index gives an indica-tion of the trend in prices rather

than acting as an absolute indi-

cator of price levels. The index

is based on data collected each

month by 25 shoppers who moni-tor a list of 100 grocery items in the same shops. The shops

chosen range from superstores

throughout the UK.

small village grocers

The dairy produce sector of

the basket—which in value

terms represents the largest

before Christmas.

1.3 per cent in January-cost

tors of the basket.

cent to 120.47 in January.

INTERNATIONAL STORES, the with Green Shield has been fur-BAT Stores High Street super ther complicated by the fact market subsidiary, has dropped that last summer BAT Stores, Green Shield trading stamps from all its stores. from Mr. Richard Tompkins,

The decision, which International has already quietly imple who founded and still owns mented at the 67 stores which Green Shield. still issued the stamps, means. In the early 1970s, trading no major supermarket multiple stamps were collected by over

International moved in major way into giving trading stamps only when Tesco gave up Green Shield stamps in summer 1977 and concentrated on price cuts with its Operation

Checkout campaign. A year later the failure of trading stamps to increase International's share of the market— while Tesco increased its market share by more than half—led International to reverse its decision and to drop stamps from

most of its 700 stores.

It retained trading stamps in the 67 stores close to Argos discount stores which also acted as redemption centres for Green

forced to admit that trading stamps have had little impact.

Advice centres 'need aid'

available.

Mrs. Kate Foss, the group's chairman, says that "for the

Mrs. Foss adds that the group

Government audit urged

Economics Correspondent
THE WHOLE PROCESS of the scruting and audit of Governstrengthened, the Consultative Committee of Accountancy Bodies argues foday in a memorandum to Mr. John Biffen, Chief Secretary to the Treasury.

The committee, which repreinstitutes in the UK, is respond ing to an official invitation to provide views as part of the lovernment's review of the tole of the Comptroller and Auditor-General and the scope of the Exchequer and Audit Depart-

ment's work. The Government has promised to publish a Green Paper on the subject shortly. It is likely to lead to reforms in the legislation affecting the Exchequer and Audit Department. The Department's job is to sudit the Government's accounts and to prepare reports for the Public Accounts Committee of the

ommons. The accountancy bodies call for an increase in the size of the Exchequer and Audit Department, whose total staff is only a fraction of the size of any one of the large firms of accountants.

Commons.

Among the other main con clusions are that there should be more scrutiny by Parliament of the methods used by the Civil Service to achieve value for money. Moreover, departmental reporting to Parliament should move towards a com-parison of the success in achieving a policy with the resources devoted to it, accompanied by a commentary... The accountants argue that there should be greater audit

emphasia on systems, rather than on individual transactions. and there should be greater stress on performance indicators.

School strikes SELECTIVE strikes by Britain's

rupt schooling for several thousand children in Nottinghamshire and Avon this week. The National Union of Teachers is increasing action in protest at education cuts. If has warned Trafford, in Greater Manchester, that it also faces strikes within the next, tw weks unless it changes its mind

Doubts over spending cuts strategy

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT'S public monetary targets only if nominal terms compared to spending cuts have so far done Minimum Lending Rate remains Labour's plans in January 1979. increase in the cost of public expendiutre over the last 12 months, stockbrokers Phillips and Drew argue in a paper submitted to the new Treasury Committee of the House of Commons.

Consequently, it says, public sector borrowing in the 1980-81 public spending cuts in 1980-81. financial year is likely to be about £11bn, unless present policies are changed. This is compatible with official

little more than offset the at 15 per cent or more through. This is the result of a change out the next financial year

> Government and partly accounts for its decision to seek further The brokers conclude that National Institute of Economic. there has so far been almost and Social Research. no change in the total amount public expenditure

> in the composition of spending The Phillips and Drew paper as a reduction in volume and —one of five speciality com- services — announced last missioned by the Treasury November—has been offset by Committee — highlights the the higher relative cost of public fiscal dilemma faced by the spending largely reflecting public sector wage awards. This view is similar to that in the last quarterly review from the

strategy succeeding," the paper says. If suggests that a con-structive approach would be one in which selective fiscal stimulus in the form of public investment was given in return for selective pay restraint. The brokers suggest that North Sea oil each be used directly to reverse the industrial decling.

Phillips and Drew say that memployment is likely to rise steadily, reaching almost 1.8m by mid-1981. In the medium term, the in brokers are "very sceptical

93p 100g 17p ·13½p 150g 22p £1.21 161/2p 200g 27p 3kg £1.47 32p 26p £1.60 300g 38p 31p £1.73 350g 44p 36p 400g 50p 4lp 5бр 46p £1.99 62p *5*0p £2.07 93p 75p 9kg £2.15 *1000g £1.22 Each extra 250g or part thereof 27p

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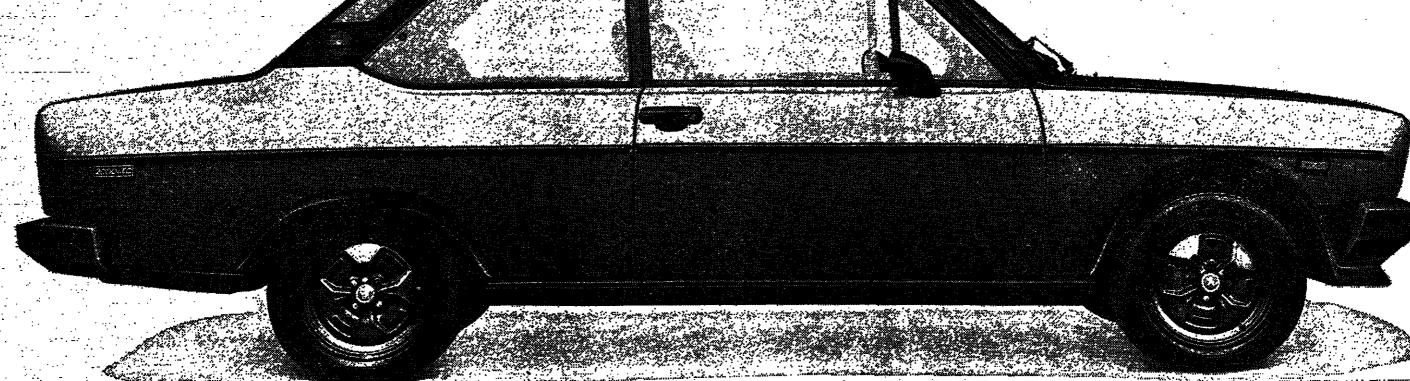
Financial Times Monday January 28 1980

vegetal teeply BRAVISSIMO, MAGNIFICO, EARITACTIOO

FANTASTICO,

SIUPENDO,

EUULLINE INODENIE



An unobtrusive announcement from the makers of the Mirafiori, the car that took first and third places in the Monte Carlo Rally.



£3m repair

repairs

WI at a cost of about £3m is

now being carried out by

Taylor Woodrow Construction

It is understood that the

work will involve complete

overhaul of the external envelope of the 9-storey-

building. In addition there will

have to be extensive replacement of stonework, asphalt and

Circus, will remain in use

throughout the contract and

has to be programmed to

occupants and passers by alike.

Completion is due in the spring

Structural engineers are

Moore Vaughan Maclean and

Partners and quantity surveyors are C. R. Wheeler and Partners.

construction of the Milton Keynes District General Hos-

1979 prices, is worth over £9.7m.

FORMATION of a new and

completely separate company. Trollope and Colls Management,

to undertake management con-

tracting, has been announced by the UK Building Division of Trafalgar House.

Chairman of the new com-

pany is Mr. Peter Howell, a

member of the main Trafalgar

House board. He told the Financial Times, "We have

noticed the increasing trend for

projects to be run as manage-

ment contracts and feel sure

Joining

the club

Taylor Woodrow is to start

inconvenience .

to

The premises, close to Oxford.

iob in

EXTERNAL

lead coverings.

minimise

London

warehouse complex will house

premises will be purpose-built

and equipped to enable the

Department to modernise and

improve its present storage and

Manchester City Council has

build a new Students Union

Manchester Polytechnic stu-

responsible for the installation

demolition of existing buildings

excavations and underpinning

a warenouse and new offices

Other industrial contracts

are: new factory and offices at

Altrincham (value £324,000) for

United Repetition; and office

extensions for Air Products at Carrington, near Manchester

In three contracts for Man-

chester City Council the com-

pany will improve 72 flats at Langley, Middleton (£480,000);

improve 36 flats at Earby Grove,

Blackley (£258.000); and carry

out landscaping outside St. George's flats, Hulme

for Seddon Atkinson at Walton

Summit, near Preston.

(£143,000).

new four-storey

blockwork

dents. The

THE LONDON Borough of Construction of an office block Haringey has awarded Sir and industrial building complex

Robert McAlpine and Sons a in Whitechapel consists of

A start has been made on a at adjacent structures and the

preliminary phase of the work office block—58 by 22 by 25 at Alexandra Palace which is metres to roof level—will be

due for completion in June. This externally clad in granite and

will be followed by the major anodised aluminium. The three

task aimed at restoring the 105 individual units of industrial

years old palace and park, buildings will total 75 x 15 making it a major exhibition, metres on plan and be sporting and cultural centre. externally clad in brick and Completion is expected in 1983. metal.

Work for Fairclough

distribution arrangements.

Associate company,

Over £18m worth £13.5m for Gleeson to Laing

number of jobs just announced distribution centre for governby John Laing is the first phase ment publications at Nine Elms. of Macclesfield District General Battersea, London (adjacent to Hospital worth £8.7m to the company. Total cost of this project will be over £10m and £5.6m awarded by the Property it will take just over three years Services Agency. The office and

Site of the hospital will be on Victoria Road adjacent to the existing West Park Hospital, and preliminary siteworks, such as earthmoving, fencing and provision of a temporary work-ing surface, have just been

ompleted. Naboodah Laing, has been Concept of the design is to awarded a further £2.3m conplan an intensive-use hospital tract for the building of 100 viable in itself as a first phase but capable of later expansion.

Provision will be made in the ancillary works, at Al Ain, Abu first phase for an accident and Dhabi. The project is for the emergency unit, four operating Office of the Diwan of the theatres, a day care unit, an Ruler's Representative of the intensive care unit, rehabilita- eastern province of the Emirate tion centre, pharmacy and out- of Abu Dhabi and is due for patients' department Addition- completion in 14 months. ally, a service centre is to be Manchester City Council has built which consists of a awarded a £1.5m contract to hospital services disinfectant unit, central records, staff headquarters for about 13,000 changing, mortuary, central

kitchen and staff restaurant. Subsequent phases of the building will have an in situ hospital will provide beds for reinforced concrete frame on medical, surgical, maternity and piled foundations, in situ congeriatric patients and the crete slab floors and roof, building, basically a two-storey smooth red facing brickwork, structure with engineering cladding and blockwork plant rooms at roof level, has internal partitions. Laing is also been carefully planned to blend into the semi-rural surround- of fittings, finishings and ser-

in London

£7m contract to refurbish

Alexandra Palace which, together with a £5.7m industrial

project in Whitechapel, London.

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applications will be treated the strictest confidence.

CONTRACTS IN the UK Five contracts have gone to recently awarded to the Gleeson Gleeson (Sheffield). These total Group total nearly £13}m. over £5.5m and include: dwell-Gleeson Civil Engineering has Metropolitan Borough of Roch-Laing is also to build a new worth about £3.8m, including ings at Ashton-under-Lyne for reclamation of the Rising Sun Tameside Metropolitan Borough; Tip complex for Blaenau Gwent new dwellings also at Ashton-Borough Council, construction under-Lyne; factory extension of foundation works at the BP Stirlingshire and construction of also at Chesterfield.
a footbridge at Chatham, Kent, the publications distribution wing of HMSO and the new for the PSA.

Company's London building division (M. J. Gleeson) has been awarded three contracts totalling about £3.9m for con-Opera House, Covent Garden, and a six-storey office block in Croydon for the Friends Provi-

ings, roads and sewers for the won three contracts together dale; modernisation of dwellfor Stephenson Blake Holdings Chesterfield; and a new fac-Desalter Plant at Grangemouth, tory for Cromdane Stainless

ment has just been sent to Burma by Gleeson Construction MORE OFFICE accommodation Gordon and Partners, consultto enable work to commence on is to be built at Bracknell, the £5m contract to construct a Berks, for SM United Kingdom. struction of an administration cold store complex at Mayo Bay, building at Cosham, Hants, for Burma, for the People's Pearl IBM (UK), substructure contract for extensions to the Royal Rangoon. Work will commence and Fishery Corporation of tract which calls for a five-Rangoon. Work will commence shortly on this scheme which is scheduled to be completed with-

£3m centre in Swindon

PLANS FOR a major expansion sales, marketing, after-sales and of its UK operations are ex-pected to be announced at its as acting as a southern parts Monte Carlo dealer conference distribution centre and training today by MAN-VW Truck and school.

The company is to move its include an 80,000 sq. ft ware-West London headquarters to a house, a 9,000 sq ft training new purpose built factory in centre for both mechanical and Swindon, Wilts as part of a £3m investment programme.

A contract valued at £2.3m has been awarded to Wimpey for the development of a 16acre site on the Blagrove Industrial Estate. The complex will include a head office for all to 10 years.

won by

Central London.

at Urmston, the CEGB coal-

handling plant at Carrington

power station is being altered

time to provide a three-storey

office block with four shops at

ground level for the Langford

Property Company, a subsidiary

of Beaumont Properties. The

Holt, of Wilmslow, Cheshire.

to cope with new coal trucks.

non-mechanical subjects, and a 6,000 sq ft purpose built technical centre.

It is planned to extend the building development on site containing a laundry, garmentprogressively to a total of making and woodworking shops, 220,000 sq ft over the next four in which prisoners will be

Sunley wins £10m in Abu Dhabi

in the Gulf seems to be stand- six lifts will be about 240 ft ing Bernard Sunley in good high on piled foundations and stead. Having already comit is expected that work will get pleted multi-storey buildings under way in February. for the British Bank of the Bronze coloured aluminium Middle East at Doba and Dubai and for the Bank of Credit and Commerce International in Abu Dhabi and Dubai, it has now got a contract worth £10m for the Arab Monetary Fund head-

quarters in Abu Dhabi. The 19-storey reinforced con-

EXPERIENCE of building banks crete building which will have

Bronze coloured aluminium curtain walling and gold tinted mirror glass will be used for the exterior cladding polished Italian marble with inlaid geometric patterns will be used extensively.

Architects are Fitzroy Robinson and Partners.

£4m awards to The first shipment of equipment has just been said to

Kyle Stewart (Contractors) has been awarded the £3m constorey building with a high level pedestrian bridge to link the new offices with the existing 3M House.

The contract provides for a reinforced concrete-framed building on piled foundations and is due for completion in scheduled for completion in July 1981. Architects are Alex

ing engineers are Ove Arup and Partners, quantity surveyors are. W. T. Hills and Company and the mechanical engineers. Oscar Faber and Partners.

Kyle Stewart has also won a contract from Capital and Counties Property Company for the construction of five ware-house units and two industrial ment contract which, under house units and two industrial reinforced concrete-framed units at Roding Lane South, building on piled foundations South Woodford, Essex. The and includes all services and £1m scheme, which has been external works. Work has begun designed by the contractor, is

The initial development will Work for prisoners

AN INDUSTRIAL COMPLEX is the prison at Channings Wood, Denbury, Devon.

The contract is worth £2.6m and is essentially for a building

Design is by the chief archito be constructed by Turriff at tect and director of works, Home Office together with

architects Clifford Tee and Gale. Reynolds and Young are the quantity surveyors and Oscar Faber and Partners the structural engineers. Comple-tion of the contract is due in

there is a demand for the ser-vices of an organisation with the full resources, such as those possessed by Trafalgar House, to take full control, especially where a large number of subcontractors are likely to be involved." months to build and as well as apartments, a leisure complex new company is Alan Ure, a RAF Bentwaters, Suffolk and offices provides 300,000 sq former executive of Trollope Four new buildings apartments, a leisure complex ft of air-conditioned shopping and Colls. Other members of space, about 20 per cent of which has already been let. the board are Alan Runnicles

(formerly of the Union Discount

Co.) and Doug Insole who will

Two other shopping complexes are under construction in Dubai be in charge of marketing. but Al Ghurair will be the first big contracts, will

CONCRÈTE FRAMEWORKS The right way to build FACTORIES OFFICES & WAREHOUSES redecorations of the facade at CRENDON CONCRETE CO. LTD 251-259 Regent Street, London,

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More for

ROAD improvemen projects in Leeds, a rail bridge at Ardleigh, Essex, and structural alterations at Kings Lynn, Norfolk, are among new work awarded to A. Monk and Company.

£975,169, and the reconstruction of the rail overbridge in Essex is worth £86,185. The Norfolk project comprises alterations for the British Sugar Cor-poration and is worth £43,950.

IN BRIEF

♠ Envair (UK) of Haslingden Lancs, is to supply £425,000 of clean room facilities for a large electronics factory in Bucharest contracting to the Austrian group Klima-Technik Gesell

Hill has taken a £513,400 con-

John Menzies (Holdings) for a retail shop in Dalkeith.

contractor. Walter Lawrence Group has

Polish Ocean Lines under construction at La Ciotat and St. Nazaire in France are to be equipped with Wilson Walton oe in coarge of marketing. Incymar marine incinerator
The company, which says it units. These were developed in
is already on the short list for close collaboration between operate from 30 Finsbury Pillard, one of France's main in-Square, London EC2A 1NR. dustrial incineration specialists

Mork

The Leeds jobs are valued at

schaft Bristol office of Higgs and

tract for a new high bay warehouse at Estover, Plymouth, for Stafford - Miller, international manufacturing chemists:

Gilbert Ash (Scotland) has won a £200,000 contract from

 Graham Wood Structural (Amsteel group) has won a £171,000 order for the fabrication of structural steel required for shipwrights, sheet metal and welding shops at HMS Sultan Workshops, Military Road, Gos-port, Hants. Laing is main

received a £234,000 contract to construct a warehouse at RAF Station, Woodbridge, Suffolk, and a further £120,000 job for construction of a navigational Managing director of the aid facilities installation at

• Four new buildings

McAlpine wins over £12m £3.2m orders Tarmac presses on in Middle East in search of more business WHAT TO do now that many of struction market which has seen ment unique to the Gulf. The project has taken only 22

the big contracts are finally completed is a dilemma exercison the 7800 square metres site NEARLY HALF of the £3.26m ing the minds of most major for Lyndon Properties of of new work awarded to Jarvis building and civil engineers brings in new work to the value Dublin. This will be followed by is being carried out in Man- operating in the Gulf. chester. The remainder is in

After several years in which large projects kept turnover up At the Swiss Centre in and manpower fully utilised, Wardour Street, Leicester most contracting groups — not least those from the UK-are Square. W1. the kitchens servnow having to come to terms ing the four restaurants, snack with a new situation. har and Gourmet Shop are being enlarged and refurbished

Traditional sources of busiand a five-storey office block is ness in the Gulf, for many being erected in St. Albans British companies - such as Street, Haymarket, SW1. The Bahrain, the United Arab shows positive if patchy signs latter will provide 1,161 square Emirates and Oman no longer of a revival. Abu Dhabi in parmetres of lettable open-plan offer the volumes of work once BATCH OF contracts just largest job being valued at awarded to Fairclough Building 2637,000. This is for extensions is worth nearly f2m with the At Cambridge Street, Man-down and moved on while says, could realistically rechester, a new rubber mixing of Dunlop. While not far away

But not all seem to be as pessimistic about the prospects for picking up respectable volumes of work and Tarmac Jarvis has also returned to would appear to rank among this the shopping centre in Town number. Square, Sale, Cheshire, this Desnit

Despite the patchy record of overseas operations and a commitment to reduce its foreign work as a proportion of total turnover, Tarmac has firmly set its sights on extractdesign is by Turner Lansdown ing a useful level of business out of a United Arab Emirates con-

better days. The Wolverhampton - based

group has now virtually completed the prestigious £40m Al Ghurair shopping, office and apartment complex in Dubai but the end of the contract does not signify its withdrawal from the local market Mr. John Kent, the Tarmac

International director respon-sible for Gulf operations, believes that its local Ghurair Tarmac partnership stands to do well out of an Emirates con-struction market which now ticular is still regarded as a buoyant-if highly competitive —source of new work.

others have cut back operations around £25m a year, and to plant is being built for the to tick over and maintain a prove the point has announced General Rubber Goods Division presence in the hope of another another batch of road and airupturn in construction activity, port runway contracts worth

Much of the company's hopes are pinned on what it sees as an upturn in spending on military facilities and signs that a Federal budget is having an impact on expenditure levels in those Emirates which in isolation would not be able to

contemplate higher spending. As for work already done,

We have the greatest respect for our ancient building

colleagues, not only for their dazzling technical achievements,

but also for their immaculate planning and organisation,

MICHAEL CASSELL Marketing in

SETTING UP of a joint venture Turnover in the Emirates, he to market sealants and weather-East has been announced by the Fosroc Construction Chemicals Division of Foseco Minsep and Inc of Cleveland,

Ohio U.S. The joint venture will be headquartered in Bahrain and will be known as Fosroc-Tremco (ME) EC. Dr. David Belford, the Foseco Minsep director responsible for the construction chemicals side of the business told the Financial Times last week that this latest developthe 600,000 sq ft Ghurair centre ment marked the beginning of represents not only Tarmac's plans for working in other area local "flagship" but a develop- of the world with Tremco.

COMPANY NOTICES

INDUSTRY CO. LTD.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT, 1948 AND IN THE MATTER OF FORRESTER (PISH, MERCHANTS) LIMITED

RegisteredOffice:

33. Cifford's Inn, Fetter Lane,
London EC4A 1AH

NOTICE IS HEREBY GIVEN pursuant
to Section 253 of the Companies Act,
1948, that a MEETING of the CREDITORS
of the above-named Company will be
held at 33; Clifford's Inn, Fetter Isne,
E.C.4, in the City of London, on
Tuesday, 19th February, 1980, at 11,30
a.m. for the purpose mentioned in
Section 294 et seq of the said Act,
Deted this 22nd day of January, 1980.

By Order of the Board,
D. L. BEVAN, Director.

THE COMPANIES ACT 1948 TO 1967 NECGATE LIMITED

MOTICE IS HEREBY GIVEN, pursuant to Section 293 of the Companies Act. 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Bentinck Street, London WIA 3BA, on Tuesday, the 5th day of February 1980, at 12 o'clock middley, for the purposes mentioned in sections 294 and 296 of the said Act.

ct. Dated this 21st day of January 1980. By Order of the Board, P. PANAYIDES, Director.

BROWNLEE

and Company Limited SHARE REGISTRATION

Notice is hereby given of the appointment of The Governor and Company of the Bank of Scotland as Registrars with effect from 1st February, 1980. All correspondence and Da

egistrar Department 26A York Place, dinburgh EH1 SEY, ephone: 031-556-93 CITY SAWMILLS. PORT DUNDAS, GLASGOW G4 STP.

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which is something we at Willett also believe in. In fact, if there is any one single reason for our 13.1 acre level base which can have a margin of up to 0.007 per cent. successes on major contracts in recent times, it is our ability to get buildings up more smoothly, more efficiently and, of course, more economically. The gap between each joint is not to exceed 1/50th of an inch. You have a tolerance of 7.9 inches So if you would like to taste a little of between the longest and shortest sides. the ancient Egyptians' skill for planning and organisation, we would be very but each one must incline 51° 19 minutes and 14 seconds. pleased to hear from you. Accommodation, catering Even if you haven't got a Pyramid in the pipeline! and sanitation facilities to be provided for 100,000 labourers. Signed: Construction Advisory Board to the Pharoah Giza, (2,314 B.C.) is building

WE GO BACK A YEAR OR TWO

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8, 4890 — SPA — Balgium — Tal: 087 77 22 09

NO SHRED OF DISPUTE WITH PRIVATE SECTOR, SAYS LORD DENNING

Appeal judges ban steel strike call

THE TWO sections of the Trade Union and Labour Relations Act, 1974 (as amended in 1976), relevant

"For the avoidance of doubt

it is hereby declared that an act done by a person in con-templation or furtherance of

a trade dispute is not actionable in tort on the ground only

that it is an interference with

the trade, business or employ-

ment of another person, or with the right of another per-

son to dispose of his capital or his labour as he wills."

"It is hereby declared for the

And section 17(2):

to the ruling are 13(2):

THREE JUDGES of the Appeal Court in London, headed by Lord Denning, directed on

Note lo

IN BRID

also be cancelled and that all picketing of private sector premises must end

Lord Denning, Master of the Rolls, said: "This is one of Rolls, said: This is one of their employment, said their employment the

the decision on Friday by Mr. Justice Kenneth Jones to refuse to grant injunctions against the Iron and Steel Trades Con-

refused leave to appeal to the

Lord Denning said: "House of Lords judgments showed the courts have a discretion to prevent action, as here, which could in the private steel sector Lord Denning said: "House cause grave damage to the would have a disastrous effect economy and the life of the not only on all the private com-country, and put the whole panies but throughout British nation and its welfare at risk."

He said it was important to distinguish between the public and private sector of the steel industry. There was no dispute between the private sector by the House of Lords ruling workers and their employees.

The workers in the public McShane, said Lord Denning.

sector demanded higher wages In that case, involving secon-and did not achieve their desire, so they called a strike from raied Lord Denning and two

Lord Denning directed on so they called a strike from Saturday that officials of the January 2.

The strike did not achieve its other Appeal Court judges.

The strike did not achieve its other Appeal Court judges.

The strike did not achieve its other Appeal Court judges.

"We have gone through the objectives, and on January 16 Lords judgments in that case the union decided to call out the private sector workers, who were ready to go on with their work. Ballots had shown that order to stop-movement of steel on so of them wished to carry on working.

In the present case the most of them were large that the present case the most of them wished to carry on working.

on working.

Nevertheless, they were ordered to strike and if there was no court order they would have to strike or would lose their uping conditions.

would be so disastrous that it seems to me it is only right that this court should grant the injunctions requested."

The successful appeal by 16 private steel companies to stop their workers joining the strike was made at an emergency allay sitting of the Appeal Court. The judges allowed the companies' appeal and overturned the decision on Friday by Mr. William Sirs (general and continuous properture of the ISEC) and

"It is amply shown," said Lord Denning, "by letters writ-ten by Mr. William Sirs (general secretary of the ISTC) and instructions given to all the branches that by this time the union had decided that one way The union was ordered to pay their ends was to bring presting companies' costs and was refused leave to companies to be a companies to be a companies.

ment. They knew that British Steel

industry. In refusing to grant the steel companies injunctions on Friday, Mr. Justice Kenneth

Jones had felt himself bound

union's dispute with the BSC was certainly a trade dispute. But there was not a shred of a dispute in the private sector. The second dispute was between the union and the Government so as to bring pressure on the Government—

ing the matter or matters which would, under any pro-vision of section 13, 14(2) or (15) above, afford a defence to the action." lawful way. But immunity from legal action applied only where

avoldance of doubt that where an application is made to a

court, pending the trial of an action, for an interlocutory injunction and the party against whom the injunction is sought claims that he acted

in contemplation of further-

ance of a trade dispute, the court shall, in exercising its

discretion whether or not to

grant the injunction, have

regard to the likelihood of

that party's succeeding at the

trial of the action in establish-

dispute.
"It is plainly arguable in the present case that the objective of this proposed strike in the "to bring them to heel"-so private sector was to coerce the

the pressure was in contemplation or furtherance of a trade

that they would provide more money. It could not be said on policy—and that is not a trade dispute at all," said the appeal the present evidence that that was a trade dispute affording was a trade dispute anorthing immunity under the 1974 Act.
Lord Justice Lawton, agreeing that the appeal be allowed, said any trade union could bring pressure to bear on a govern-ment, provided they did it in a

judge.
"As I see the evidence be fore the court, what has hap-pened sinee January 16 is not in furtherance of a trade

Lord Justice Lawton said that no doubt the union had hoped for victory after a short strike because the history of the last two decades tended to show that whenever there had been a dispute between unions and a nationalised industry there was a tendency for government in-tervention, followed fairly quickly by a settlement to the advantage of the strikers.

"Unfortunately for this union there was not any government intervention and it became clear there was not going to be any in the foreseeable future.

"It followed, therefore, there was going to be no quick victory and the dispute would be one of long attrition." That was one of the reasons the union de-cided to call in private sector

Ackner said there was an difficulties in negotiations this arguable question whether there rear. The manual unions have were two disputes, one with the British Steel Corporation and the second with the government. If that were so there were no valid grounds for the claim that the strike of the private sector workers had been called in furtherance of a trade dispute.

Tribunal gives pay boost to electricity engineers

ENGINEERS in the electricity the negotiations. Mr. Frank supply industry have been Chapple, chairman of the trade awarded pay increases of 2.4 union side for the manual supply industry have been awarded pay increases of 2.4 to 6.5 per cent by an arbitration tribunal. The award could have serious implications for pay negotiations in progress with the industry's 96,000 manual workers, one of Britain's postation of the country's page 15 industrially - powerful

The award, the final part of last year's settlement for the 27,000 engineers, takes the level of their deal for the year to 25.5 to 28.4 per cent, one of the largest agreements of the wase rounds.

The award tops up an interim increase of 23.1 per cent awarded to the engineers last July. Even at that level, the deal caused manual workers 30 give notice of industrial action in the power stations, which was called off only days before the deadline, when the Electricity Council matched the engineers' offer.

Negotiators for the manual members.

Also agreeing, Lord Justice the award could spell further to receive a reply on February

> engineers' award expected to feature largely in

workers and general secretary of the Electrical and Plumbing Trades Union, said yesterday that the award would not help to moderate the expectations of his members. "I'm afraid that what the arbitration award has done is given us a really never-ending problem. I can't see any way of it being solved in a reasonable fashion."

The manual workers' objection is not just one of a widening differential. The relativity between the manual workers and the engineers, on which the award is based, takes no account of the productivity improvements of the manual workers which mainly stem from large scale reductions in

the manual work force. Shop stewards in the industry and other senior public officials. The figures set by the Boyle award would place further pressure on the council to meet the claim. The unofficial shop stewards committee will consider the award, and the employers' response to their own claim, at a meeting in

Doncaster in about two weeks. Power engineers covered by system and control the distribu-tion of electricity The award also covers managerial grades up to all but the most senior

chaired by Professor Sir John Wood, of Sheffield University, is the final part of a pay deal for the engineers, who are mainly members of the Electrical Power Engineers' Association. It will be backdated to November, and confirms a five-year-old pay relain giving the most easily comparable engineers' rate a rise of 2.4 per cent to take the overall increase for the rate to 25.5 per

In fixing the top level of an increase of 28.4 per cent to take the rate in question to £18,750, the tribunal is sharply critical of the Top Salaries Review Board, chaired by Lord Boyle, which sets the pay of chairman and deputy chairman of Area Electricity Boards, as well as of the chairman of the Central Electricity Generating Board, The figures set by the Boyle review for the senior area officials effectively became a ceiling for increases for senior

managerial staff, a few grades below, covered by the tribunal's award The tribunal urges a review of the way Boyle operates in the industry, saying that the Boyle figures ought not to be acceptable as a permanent feature of the salary structure. Mr. John Lyons, general secretary of the EPEA, wel-

comed the establishment of a firm relationship between The award, given by a tribunal engineers and manual grades.

LLOYDS BANK FINANCE SERIES

Ruling's basis in law

Union denies motives were political

THE APPEAL COURT hearing Irwine, QC, for the 16 private steel companies: "The object Government into changing its a public limited company.

policy. Mr. Irvine said the private sector accounted for about 171 per cent of Britain's crude steel production, as well as processed steel, and their activities were vital to Britain's manufacturing

The Iron and Steel Trades Confederation was claiming immunity under the 1974 Trade Union and Labour Relations Act to inflict great damage on the innocent public and a section of industry with whom it had its policy.

no quarrel.

If the strike in the private Trade Union and Labour Relasector went ahead production would be stopped at 50 combet legislated for its own destrucpanies and losses would be

about £10m a week. At one private steel company employees had voted 129 44 against strike action in a secret ballot, said Mr. Irvine. At another the strike would be the first industrial trouble for 30

1.1

The GKN companies would lose over £404,000 a week from a strike, export orders would be at risk, and there would be permanent loss of jobs and disaster for the company." which had already suffered a big

financial loss. Mr. Melville Williams, QC, for the union, read affidavit evidence from Mr. Leslie Bramley, president of the ISTC.
In it Mr. Bramley stated: "I

utterly and completely reject that the strike is political. I believe that extending the strike to the private sector will end in a quick and satisfactory

Every member of the union's executive had one object in mind—"to force the BSC to in-crease its offer to its members." The confederation was relying on sections 13 and 17(2) of the

1974 Act in that instructions against which an injunction was being sought was issued in furtherance of a trade dispute. Mr. Bramley said it was the to the BSC could be released to first time his union had been pay part of the men's increased involved in a national strike since the 1926 General Strike. We are a moderate union and we regard the withdrawal of labour as the absolute last resort," he said. "We will consider any reasonable pay offer." The original 2 per cent pay offer was subject to the union agreeing to a total loss of 53,000

'No thought' of retiring

LORD DENNING, at 81, the oldest serving judge in English law has ruled before against unions extending industrial action to workers not directly involved in a dispute.

In one notable case, as in several other of his recent judgments, he was over-ruled by the House of Lords. Last April he rejected demands for his retirement, made by

left-wing lawyers, because of his "extreme anti-trade union attitude reflected in a series of recent decisions."

In December, 1978, Lord ... Denning, Master of the Rolls,

The BSC was something akin had been told by Mr. Alexander to a Government subsidiary so Irvine, QC, for the 16 private pressure had to be put on the steel companies: "The object Government to relax its hold on of the strike is to coerce the BSC's purse strings as if it were

'The fact that the Government is a political body and not a limited company does not change our industrial purpose —of putting pressure on the Government—into a political

Mr. Irvine submitted that the intended strike could not be in furtherance of a trade dispute, and therefore enjoying immunity under the law, because its admitted aim was to make the Government change

tion by giving immunity from the civil law, to action taken with the aim of changing government policy.

Mr. Irvine submitted that what had happened was that the industrial action with BSC had "come to rest" and a new dispute had now begun with the Government over its refusal to make more money available.

Mr. Melville Williams, for the union, said its executive had decided to take action against the private sector of the steel industry because it believed that the Government was taking a hand in the dispute with BSC. The strike, therefore, was in furtherance of the dispute with BSC within the meaning of the

Mr. Williams said the morale of BSC workers would cease to be undermined if the private sector went on strike, and many members in the private sector felt they should go on strike."

Lord Justice Lawton: The fact that the Government says, "We are not going to give you any more of the taxpayers"

wages.
Saturday's Appeal Court action had been brought against Mr. Bill Sirs and two other ISTC officials by 16 companies. They were: Duport Steels, of Warley, West Midlands; Ductile Steels of Wil-lenhall, Staffs; British Rolling

Mills, of Tipton, Staffs; Brymbo Steel Works of Wrexham; Glynwed Steels of Birmingham; Sheerness Steel, Kent; GKN (South Wales), GKN Wire Proagreeing to a total loss of 53,000
out of a BSC workforce of
153,000. This involved the
closure of many plants and the
loss of 11,500 jobs

"The union feels that the
intractable attitude of the BSC
over weeks of negotiation was
due to the nature of the organisation of BSC," said Mr. Bramley. There was nothing political
about it.

Mills, of Tipton, Stants, Bryme
Steel Works of Wrexham;
Glynwed Steels of Birmingham;
Sheerness Steel, Kent; GKN
(South Wales), GKN Wire Products and GKN Reinforcements,
all in Catoliff; and seven Sheffield
companies—Firth Brown, Lee
Steel Strip, Hadfields, Osborn
Steels, Osborn Steel Extrusion,
Edgar Allen Balfour Steels, and
William Oxley.

sitting with two Lords
Justices, ruled that the
National Union of Journalists
acted unlawfully in instructing Express Group Newspapers' journalists to "black" news from the Press Association, the national news

agency. But a year later, five Law Lords all ruled that Lord Denning was wrong to say the secondary action did not have legal immunity.

Lord Denning has been a judge for 36 years—and on his birthday on Wednesday he was quoted as having "not even a thought of retiring."

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Guns and big Government

BY SAMUEL BRITTAN

producers to overload the process developed a momentum discussion section which follows too painful to stop. the main exposition with Nothing that has so far too many "representative" happened is on a scale compersonalities.

more and more of the national product with increasingly disappointing results, back to the Great Depression of the 1930s and the false lessons he thinks people drew from it. But there is surely another cause as well: wars and rumours of wars.

Expenditure

It is not only the military expenditure itself, but the peacetime aftermath that public expenditure showed that anti-inflationary resolve of the the long-term upward trend was main Western governments, mainly the result of two large the Government assumed funcrelinquished; and post-war expenditure remained permanently higher as a proportion of the national product. It is sad that just at the time when public spending and government intervention are coming under greater critical scrutiny, the hotting up of the Cold War should be threatening another upward deflection.

tion are not quite the same although it seems to me that the thing. In both the U.S. and the UK the inflation rate in World regime allied with China dwarf War II was a good deal less than anything that has happened in in the 1970s. If we look at the Afghanistan. There is in any two big disturbances since 1945, that of Korea and Vietnam, they each had a very different after- sacrifice what it is we are supmath. The Korean War was posed to be defending. President associated with a sudden flare-up in inflation, with commodity authority to revive the machi-prices making the running. But nery of conscription, if not the this quickly subsided and in the actual fact. In the UK, the 1950s world prices were creep hawkish foreign policy side of ing up at the slowest rate of any the Thatcher experiment may period in the last four decades. yet prove the enemy of the free was associated with a "guns a "wet" point to make, then and butter" policy. The modest there is something to be said budget deficits of the Kennedy for the "wets".

BETWEEN NOW and the era were swollen by President Budget, the British public will Johnson's arms spending. The have an opportunity of seeing tax increases to finance them a Milton Friedman television were too little and too late; and spectacular, which promises to instead of letting interest rates be good viewing. Exactly how rise to take the burden, the good will depend on whether Federal Reserve allowed the organisers can resist the usual money supply to take off on to temptation of current affairs a higher path. The inflationary

parable to Vietnam. Judging by In one of the programmes, first reports, the increase in Friedman traces the trend to the arms budget ordered by "Big Government," absorbing President Carter is an extremely small proportion of the national product.

But big events have often small beginnings. It can hardly be a coincidence that the spectacular gold boom-and a commodity price increase running counter to all the talk of recession—should have taken place when U.S. relations both with Iran and the Soviet Union took a nose dive. Market fears the seem to be related to worries that about an escalation of military peacetime aftermath that about an escalation of military matters. The classic Peacock spending, just as much as to and Wiseman study of UK any doubts about the normal

The main threat to a market single steps, associated with the economy based on the rule of two World Wars. In both wars law does not always come from the welfare lobbies. Since the tions that it never afterwards late Roman Empire military expenditure has been the greatest force both for the enslavement of the individual to the Stateand for currency debasement.

Intentions

This is not the place to discuss whether Soviet intentions are really such as to justify the camp mentality armed case the perennial danger that in defending freedom we may Carter has already asked for Vietnam on the other hand market side. And if this seems

in black and white. BBC 1

1.00 Pebble Mill at One. L45 How (Welsh Professional Champion-Do You Do? 2.01 For Schools, ships). 12.05 Ancestral Voices. Colleges. 3.15 Songs of Praise 12.30 am News and Weather for from Bolton, 3.53 Regional News Wales. for England (except London). 3.55 Play School. 4.20 Touché Schools. 12.15 pm It's a Great Turtle. 4.25 Jackanory. 4.40 Play- Life. 12.40-12.45 The Scottish house, 5.10 John Craven's News- News. 5.55-6.20 Reporting Scotround. 5.15 Blue Peter.

5.40 News. 5.55 Nationwide (London and South East only). 6.20 Nationwide.

6.45 A Question of Sport. 7.15 Blake's Seven. 8.10 Panorama.

9.M News.

Robert Vaughn. 11.05 Film 80. 11.35 News Headlines. 11.37 Ancestral Voices. 12.02 am Weather, Regional

All Regions as BBC1 except as follows: Wales—I.45-2.00 Pili Pala. 2.18-

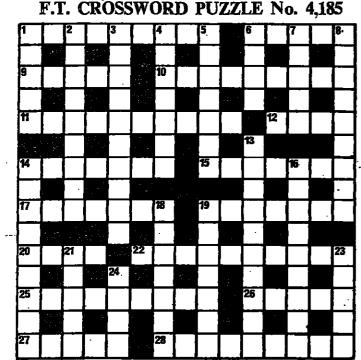
9.00 am For Schools, Colleges. 2.38 For Schools. 5.55-6.20 Wales 11.25 You and Me. 11.40 For Today. 6.45-7.15 Heddiw. 11.35 Schools, Colleges. 12.45 pm News. News Headlines. 11.37 Snooker

Scotland-11.00-11.20 am For land. 12.02 am News and Weather for Scotland.

Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.02 am News Weather for Northern Ireland.

England-5.55-6.20 pm Look

News. "Nightmare at Pendragon's Castle" starring East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham);



ACROSS 1 Article used by waiters and 1 Protected circuit and fed us linesmen on B.R. (4-5) inside (5)

6 Short instructions (5)

9 Fodder in a way uncooked

10 One who kicks his heels for a living (3-6) 11 Drive crazy about drink in

carriage (10) 12 Release soldiers in iron (4) 14 Doctor going to work allowed a small quantity of

liquid (7) 15 Cuts between Orientals in shadow (7)

17 Request broken cane that's 13 Fly policeman and poison awry (7)

19 Seaside entertainer makes 14 Drawing dull plain (4-5) supports collapse (7) 20 Learner and star producing

decorative textile (4) 22 Mad reason for engine (10)

capable of many uses (9) 26 Voice from irate Norseman

27 Cunning dance back to your leader (5) 28 Cockney holiday about com-

plete (4-5)

2 Fight to reserve place for treasured memories (5-4) 3 Source of energy for authority and growth (5-5) 4 Effort that tempts partially

5 Cost of putting swans in river (7) 6 Article in plot could be part of necklace (4) 7 Suffer at home with dog (5) 8 Stuffing with strength of

flesh (9) container (10) 16 Divided up share with editor

18 God I've to follow in eating away (7) 25 Poetry about twisted tail 19 Officer Commanding surrounded by journalists in operation (7) 21 Swear it could be a remedy

around the south (5) 23 Blunder in terrorism (5) 24 A great number may accept Pole (4)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Will Denning's law survive the Lords?

WHILE STEEL strike, judges work overtime relief to the private steel comstrike, judges work overtime relief to the private steel commight be the flippant comment panies on the basis that the heel "—so that they would proIn those circumstances, should on the Court of Appeal's rul- balance of convenience pointed vide more money to BSC was at the court take the view that. ing, after a whole Saturday's to stopping the secondary strike trade dispute. sitting, at the Royal Courts of action rather than leaving the industrial action to the private of industrial action? sector of the steel industry.

But the ruling will not only have far-reaching implications in the protracted struggle between the British Steel Corporation and the Iron and Steel Trades Confederation over pay increases for steel workers in the public sector. It will also arouse once more the growing opposition, in both political and legal circles, to Lord Den-ning, who at 81 is thought to have long since outstayed his judicial term of office.

For the legal profession the immediate question is whether the ruling is sound in law and will survive scrutiny at the hands of the Law Lords; and, if the case either survives that appellate review or is not taken on appeal by the unions, what effect the decision will have on the Government's declared policy to amend the Trade Union and Labour Relations Act 1974 to control secondary blacking and secondary picket-

ing.
There were two distinct steps in the reasoning of the Court of Appeal, leading to its decision to grant the injunctions requested. First, was the action in calling out the steelworkers in the private sector "in furtherance of a trade dispute"?

Justice in the Strand, on the parties to enjoy and suffer steel unions' attempt to spread respectively the consequences

> The Court of Appeal was faced with the recent ruling of the House of Lords in Express Newspapers Ltd. v. McShane* which laid down the test for answering the question. "Is it sufficient for those claiming the trade union immunity from legal action simply to have a genuine intention to further an existing trade dispute?"

The majority of the Law Lords in that case said that the test was a subjective one and means that if the trade unionist acts with the purpose of helping his cause to achieve his objectives in an honest and reasonable belief that it will do so, he is acting in furtherance of a trade dispute. Nobody denied that the ISTC had a tion trade dispute with BSC. Why then was the threatened strike action prompted by the officers of ISTC, among private sector workers who had no dispute with their employers still not a furtherance of the primary trade dispute, at least in the honest belief of Mr. Bill Sirs?

observed, the action of the Ackner thought there are two union was to get the Government to change its policy of and the other with the Governnon-intervention, and that was
not a trade dispute. "It could arguable, it could not be said If there was any doubt about not be said on the present that the unions were over-

interpretation of the evidence protect their businesses against on the footing that the judg- industrial action, where they ments in the McShane case themselves had no dispute with some would believe." But in vision of the 1974 Act states that that case the extension of the the court, in exercising its

until trial, the private steel com-Lord Denning justified his panies should be allowed to are not nearly so clear as their workforce? A further protrade dispute between the discretion whether to grant an

THE WEEK IN THE COURTS

BY JUSTINIAN

National Union of Journalists injunction, shall "have regard and the Newspaper Society, to" representing the proprietors of provincial newspapers, to NUJ's call to its members to take industrial action against the Press Association, which supplies news to all newspapers with whom there was no dispute, appears to preclude any distinc-

The fact that British Steel Corporation is a public corporation answerable to a Minister and sustained by public funds means that the Government is ineluctably linked to its statutory creature, whether or not it involves itself with the latter's labour relations. But arguably Because, Lord Denning Lords Justices Lawton and

the likelihood of the immunity of the trade union being upheld at trial. The provision does not state that it must have regard to the near certainty or high probability that the defence will succeed to the exclusion of all other factors.
While the court would be

reluctant to grant an injunction pending trial if the union was very likely to succeed in getting it discharged at trial, it might be less reluctant if the claim to immunity is in doubt. Where the outcome of the issue whether the union was or was not acting in furtherance of a trade dispute (or honestly believed that its action was to further its trade dispute) is in doubt, other factors may weigh with the court in deciding that labour injunc-tions should issue. The Court of Appeal said that

the ISTC action was one of those cases where the effects on the that, should the court, pending evidence," he said, that bring- whelmingly likely to succeed in country would be so disastrous

WORKERS the trial of that issue, grant ing pressure to bear on the sustaining their immunity at that the injunction should be the authoritative—line or the overtime relief to the private steel com
Government—"to bring them to trial.

The ruling with the basis that the basis Lord Scarman nad postulates so the Government some breathing endangered the nation, or put at risk such fundamental rights, such as Press freedom, that the courts might restrain the industrial action pending trial.

But the Court of Appeal seems to have put its decision grant an injunction more on the principle of a balance secondary blacking and picketconvenience that is the ordinary rule in other types of ing the generally acknowledged legal action. In American Cyanamid Company v. Ethicon Ltd.† the House of Lords laid down that the court, in exercise are directly in industrialing its discretion as to granting dispute. or refusing an interlocutory injunction, ought not to weigh to uphold Saturday's ruling— up the relative strengths of the and that seems wildly improbnecessarily incomplete at that

stage. Once the court decides that there is a serious question to be decided-here it would be, if anything, the question whether the dispute over governmental policy of nonintervention was in furtherance of ISTC's trade dispute with BSC-it ought not to try to resolve conflicts of evidence, or even legal argument based on that evidence, but decide the issue of the injunction on the balance of convenience to the parties pending the trial.
Ironically, Lord Denning in a series of judgments has shown a hearty dislike for the American Cyanamid ruling, and thinks that it has led too readily

The ruling will at least give

space while it reflects on what legislation it would like to bring in to amend the law to achieve the kind of result produced by the Court of Appeal. It is well known that legal draftsmen are finding acute difficulty in framing language apt to outlaw ing, without in some way-damagright of trade unions to their immunity for industrial action against those with whom they

If the House of Lords were parties cases on the evidence, able, if only because the McShane tuling envisaged just such a situation that would be covered by the statutory immunity — the Government would feel relieved of the unenviable task of finding the apt formula. The judges would have done the job for them. The only problem then would be that subsequent industrial

action — sympathetic strike, secondary blacking and picketing — would always be a candidate for litigation on the hasis that no two cases are alike and lawyers are always adept at finding recondite distinctions even where there is no discernible difference: which is how some knowledgeable com-Denning's latest excursion into law-making. * [1980] 2 W.L.R. 89. † [1975] AC. 396.

No mistake this time, Jonjo

ALTHOUGH JONJO O'NEILL of proceedings from fully half- Winter as Rathconrath, who on opted incorrectly for Major a-mile from home the Peter Thompson in preference to Within The Law for last year's was being pulled up before the Schweppes Gold Trophy I cannot see him making a similar error this time.

Silver Shadow gave O'Neill such a care-free ride in landing

RACING BY DOMINIC WIGAN

Doncaster's Yorkshire Handicap Hurdle on Saturday that I shall be surprised if he deserts her in preference to Vascar. Furthermore, I shall be equally taken aback if Vascar finishes ahead of the ever-improving mare at Newbury

Silver Shadow could hardly have won with more authority on Saturday. In total command

Points West (Bristol); South To-

day (Southampton); Spotlight

BBC 2

10.05 am It Figures. 10.30 Working With Young

11.00 Play School (as BBC1 3.55 pm).
2.15 pm Let's Go.

6.05 James Burke's Connec-

6.55 Training Dogs the Wood-

house Way.
7.20 Mid-Evening News includ-

9.00 Des O'Connor Tonight. 9.50 Cricket: Australia v West

Indies (highlights). 10.20 Russian - Language and

12.05 am Closedown reading. BBC2 Wales only-4.35-5.40 pm

Snooker (Welsh Professional Championship).

9.30 am Schools Programmes.
12.00 We'll Tell You a Story.
12.10 pm Rainbow. 12.30
Numbers at Work. 1.00 News,
plus FT Index. 1.20 Thames
News. 1.30 About Britain. 2.00
Food, Wine and Friends, 2.30
Monday Matinee: "The Constant
Rusband" starring Rex Harrison

and Kay Kendall 4.15 Clapper-

board, 4.45 The Ravelled Thread.

7.30 Coronation Street. 8.00 Keep it in the Family.

5.15 Money-go-round.

6.00 Thames News.

7.00 Give Us a Clue.

8.30 World in Action.

9.00 Sandbaggers.

6.35 Crossroads.

5.45 News.

10.00 News.

LONDON

ing sub-titles.

11.30 Arena: Lene Lovich.

7.30 Horizon Special.

8.30 The Goodies.

People.

10.45 Newsnight. 11.15 Weather.

South West (Plymouth).

People.

School?

tions.

5.40 Charlie Brown,

2.30 Roads to Conflict.

February 9.

Easterby trained six-year-old winning post, which she nevertheless reached with seven lengths in hand of runner-up Danish King.

Although Vascar was withdrawn from Ayr's Killoch Handicap Hurdle on Saturday owing to uncertainty over ground conditions, and may be poised to give O'Neill yet another winner, there seems little prospect of him displacing his stable companion, Silver Shadow, and Snowtown Boy at the head of the Schweppes market.

Anyone with more than a passing interest in the Waterford Crystal Champion Hurdle might do worse than pause for thought over the result of Cheltenham's Tote Treble Hurdle. In that event Fred

10.30 Monday film: "Prudence and the Pill" starring Deborah Kerr and David Niven. 12.10 am Close: Personal choice with Diana and Yehudi

All IBA Regions as London except at the following times: ANGLIA 1.25 pm Anglia News. 2.00 Monday Im Matinee: "Make Me An Offer"

1.20 pm ATV Newsdesk. 2.00 Rendexvous with Romance: "The Promise." 3.45 Food, Wine and Friends. 5.15 The Mighty Micro. 6.00 ATV Today. 10.30 Left, Right and Centre. 11.00 ATV Newsdesk. 11.05 Barney Miller. 11.35 Beyond the Moon? 12.06 am Something Different.

BORDER
1.20 pm Border News. 2.30 Monday
Matinee: "Geordie" starring Alastair
Sim and Bill Travars. 5.15 University
Challenge. 6.00 Lookaround Monday.
8.15 Cooking with Tovey. 10.30 Monday
Movietime: "Psyche 59" starring
Patricia Neal, Curt Jurgens and BORDER Patricia Neel, Curt Jurgens and Samantha Eggar, 12.15 am Border

CHANNEL CHAINTEL

1.20 pm Channel Lunchtime News, What's on Where and weather. 2.00 The Mondey Matinee: "Bachelor Of Hearts." 3.45 Food, Wine and Friends, 5.15 University Challenge, 6.00 Channel News. 6.10 The Lone Ranger, 10.28 Channel Lata News. 10.35 Soap. 11.05 Twist in the Tale. 12.00 News and weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North
News Headlines. 2.30 Monday
Matines: "The Graengage Summer"
starring Kenneth More, Sussansh York
and Danielle Darrieux. 5.15 Top Club.
6.00 North Tonlight and area weather
forecast. 10.30 Reflectiona. 10.35 The
Monday Movie: "The Hirsling" starring
Robert Shaw and Sarah Miles.
12.30 am North Late Night Headlines.
GRANADA

1.20 pm Granada Reports. 2.00 Monday Matines: Nancy Kwan in
"Tsmahsine." 3.45 Food, Wine and
Friends. 5.10 This is Your Right. 5.15
Crossroads. 6.00 Granada Reports.
6.30 Bernie. 10.30 Nuts and Boits.
11.00 Mystery and Imagination: lan
Hendry in "Pssessin." GRAMPIAN

HTV 1.20 pm Report West Headlines. 2.00

Radio Wavelengths

3 200kHz/1500m & 92,95vhf 693kHz/433m 909kHz/330m & 88-91vhf stereo 4 1216kHz/247m

BBC Radio London: 1485kHz, 206m & 94,9vhf Capital Radio: 1548kHz, 194m & 95.8vhf London Broadcasting: 1151kHz, 261m & 87.3vhf

RADIO 1

#Medium wave 5.0 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Baras. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Stayin Alive. 8.00 Mike Reed. 9.50 Newsbest. 10.00 John Peel (S). 12.00-5.00 am As Radio

RADIO 2
5.00 am News Summary. 5.03
Cricket: Australia v West Indies
(report). 5.04 Steve Jones (S) Including 6.03, 7.03 Cricket and 6.15 Pause
for Thought. 7.32 Terry Wogan (S)
including 8.03 Cricket, 8.27 Racing
Bulletin, 8.45 Pause for Thought, 9.03
Favourite Five Singles. 10.03 Jimmy
Young (S). 12.30 pm David Hemilton
(S). 2.03 Ed Stawart's Request Show
(S), 4.03 Much More Music (S), 5.00
News. 5.05 Waggoners' Walk. 5.20
Much More Music (S) (continued).
6.03 John Dunn (S), 8.02 The
Organist Entertains (S), 8.30 Folk 80
(S), 9.02 Humphrey Lyttelton with
The Best of Jatz (S), 9.55 Sports
Desk. 10.02 The Lew Gama. 10.30
Star Sound. 11.02 Brian Matthew with
The Lata Show, including 12.00 News. RADIO 2

The Late Show, including 12.00 News. 2.03-5.00 am You and the Night and the Music (S). RADIO 3 5.30-7.35 am Test Match Special (‡ only from 7.00) Australia v West

Indies. 5.55-7.00 Weether. 7.00 News (visionly). 7.05 Overture (\$) (visionly). 7.05 Overture (\$) (visionly). 7.05 Overture (\$) (visionly). 8.05 Morning Concert (\$), 9.00 News. 9.05 This Week's Composer: Bethoven (\$), 10.00 Mozart and Busoni: Violin and pieno recital (\$), 10.46 Philip Jones Breas Eneamble (\$), 11.25 BBC Weish Symphony Orchestra concert, part 1 (\$), 12.15 pm Interval Reading. 12.20 Concert, part 2, 1.00 News. 1.05 BBC Lunchtime Concert (\$), 2.05 Mazinee Concert, part 2. 1.00 News. 1.05 BBC Lunchtime Concert (S). 2.05 Marines Musicale (S). 3.05 Music for Organ (S). 3.45 New Records (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Bournemouth Symphony Orchestra concert, part, 1 (S). 7.40 Memorits of Virginia Woolf from the BBC Sound Archives. 7.65 Bournemouth SO part 2 (S). 9.00 The Village Song Man (S). 9.45 Elgar and Beethoven: Violin and 9.45 Elgar and Beethoven: Violin and plano recital (S) including 10.20-10.25 interval Reading. 11.00 Winter Centeta from Boismortler's The Seasons (S). 11.25 Jazz in Britain (S). 11.55-12.00

RADIO 4 Music.

Capital Radio

Week. 8.25 Shipping forecast. 6.30

Today, Including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.25 The Week on 4. 8.45 7.30 Adrian Love's Open Line (S). Petrick Moore with the BBC Sound Archives. 9.00 Naws. 9.05 Start the Week with Richard Baker. 10.00 News. Young's Night Flight (S).

sidered in the same league by Winter as Rathconrath, who n Saturday morning stood at 12-1 for the Champion Hurdle, for which Celtic Ryde was quoted at 7-1. Big Ben was travelling as well as any when making an the ninth fence in Kempton's

Celtic Ryde strictly on merit.

Norfolk Dance is not con-

uncharacteristic blunder State Express Young Chasers Qualifier recently. Barring a similar blunder the Dickinson six-year-old should recoup losses in today's Nottinghan Champion Novices Chase.

NOTTINGHAM 1.30—Super Jas 2.00—Charnrullah** 2.30—Jimmy Miff 3.00—Big Ben*** 3.30-Ballygarvey* 4.00—Mr. Oliphant

Here Today. 2.30 The Monday Matines:
"The Iron Maiden." 5.15 Dick Tracy.
5.20 Crossroeds. 6.00 Report West.
10.35 Food, Wine and Friends. 11.05
Soap. 11.35 Twist in the Tale.
HTV Cymru/Weles—As HTV West/
HTV General Service except: 50.0510.20 am About Weles. 1.20 pm
Penswdsu Newyddion y Dydd. 1.251.30 Report Weles Headines. 4.65-5.16
Ser. 6.00 Y Dydd. 6.30-7.00 Report
Weles. 8.30-8.00 Yr Wythnos.

SCOTTISH 3.00 That's the Way the Money Goes.
3.30 Delia Smith's Cookery Course.
4.10 Is There Life After Think After Think

SOUTHERN 1.20 pm Southern News. 2.30 Monday Matines: "Great Catherine" starring Peter O'Toole. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day by Day. 10.30 Southern News Extra. 10.35 Open Dors. 11.05 Kaz. 12.00 Farm Progress.

TYNE TEES 9.20 sm The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.30 Monday Matines: "Three Hets for Lisa." 5.15 Mork and Mindy. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 10.30 Northern Report. 11.00 North East News Headlines. 11.05 Monday Movie: "I Monster" sterring Christopher. 11.00 North East News Headlines. 11.05 Monday Movie: "I Monster" sterring Christopher. 11.00 North East News Headlines. 11.05 Monday Movie: "I Monster" sterring Christopher. 11.00 North East News Headlines. 11.05 Monday Movie: "I Monster" sterring Christopher. 11.00 North East News Headlines. 11.05 Monday Movie: "I Monster" sterring Christopher. 11.00 North East News Headlines. 11.05 Monday Movie: "I Monster" sterring Christopher. 11.00 North East News Headlines. 11.00 North "I, Monster" sterring Christopher Lee and Peter Cushing. 12.30 am Epilogue.

ULSTER 1.20 pm Lunchtime. 2.00 Monday Matines: "A Franch Mistress" starring Cacil Parker, Agnes Laurent and James. Robertson Justices. 3.45 Food, Wine and Frienda. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Cross-roads. 6.00 Good Evening Ulster. 10.29 Ulster weather. 10.30 The Irish Fector. 11.00 The Odd Couple. 11.30 Factor. 11.00 The Odd Couple. 1 Gerdening Today. 11.55 Bedtime. WESTWOOD

VESTWOOD

1.20 pm Wastward News Headlines.
2.00 The Mondey Matines: "Batchelor of Hearts" starring Hardy Kruger.
3.42 Gus Honeybun's Birthdays. 3.45 Food, Wine and Friends: 5.15 University Chellenge. 6.00 Westward Diary.
10.32 Westward Late News. 10.38 Soep. 11.05 Twist in the Tale. 12.00 Faith for Life. 12.06 em Wast Country weather and shipping forecast.

YORKSHIRE 1.20 pm Celendar News. 2.00 Monday Matines: "The Blue Peter." 2.45 Food, Wine and Friends. 5.15 University Challenge. 6.00 Celendar (Emley Mour and Belmont editions). 10.30 Pro-Celebrity Snooker. 11.15 What's on Next? 11.45 The New Avengers.

10.05 Money Box. 19.30 Daily Service.
10.45 The Wooden Horse. 11.00 News.
11.05 Offshore Britons. 11.50 Poetry Pleasel 12.00 News. 12.02 pm You and Yours. 12.27 Top of the Form.
12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers.
1.55 Shipping forecast. 2.00 News. 3.02 Listen with Mother. 3.15 Atternoon Theatre (S). 4.45 Short Story. 5.00 PMs. news magazine. 5.50 Shipping forecast. 5.55 Weather: programme news. 6.00 News. 5.30 Give or Take (S). 7.00 News. 7.05 The Archers. 7.20 Science Now. 7.45 The Monday Play (S). 9.15 Pennine Portraits. 9.30 Kaleidoscope. 8.58 Weather. 10.00 The World Tonight. 10.30 The News Quiz (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News. BBC Radio London BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour.
10.03 The Robbie Vincent Telephone
Programme. 1.03 pm London Live.
3.03 Showcase. 4.30 London News.
Desk. 5.35 Look, Stop. Listen. 7.03
Black Londoners. 8.00 Question Time
from the House of Commons. 9.005.00 pm Join Radio 2. 5.00 am Join Radio 2 London Broadcasting

8.00 am AM with Bob Holness and Des Fahy. 10.00 The Brian Hayes Show. 12.00,LBC Reports. 8.00 Holiday Special. 9.00 Jenny Lacey. 12.00 LBC Reports. Midnight. 1.0 am Tara Jefferice. Night Extra. 5.00 Morning Music.

THEATRES THEATRES PALLADIUM. CC. 01-437 7373. YUL BRYNNER In RODGERS & HAMMER-STEIN'S THE KING AND I also starring VIRGINIA McKENNA. HOTLINE— 01-437 2055. Evenings 7.30. Mass. Wed-and Sat. Z.45. Some good sasts available for Weds. Mats.

to interlocutory injunctions being given. Now he appears.

by implication, to have followed

OPERA & BALLET

COLISEUM. Credit cards 240 9258.
Reservations 836 3161. ENGLISH
NATIONAL OPERA. Tomor & Thurs.
7.30: The Merry Widow. Wed & Sat
7.00: The Force of Destiny. Fri 7.30:
Dos Giovanni. 104 balcony seats avail
from 10 am on day of perf.
COVENT GARDEN. CC. S. 240 1066.
(Gardencharge credit cards 836 6903.)
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6. Sat 7.30: Mayerling. THE ROYAL
OPERA. Tomor & Fri 7.30: Werdner.
6.5 Ampoin. Seats avail. for all perfs.
from 10 am on day of perf.
SADLER'S WELLS THEATRE Rosebery
Ave., ECI. 857 1672. Credit cards 837
3856. 10-6 pm. Until Feb. 16 D'OYLY
CARTE In GILBERT & SULLIVAN. Evgs
7.30. May Sat 2.30. Tonejab. Tomor &
Wed: H.M.S. Pinafore. Thurs. Fri & Sat:
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Ergs. 8.00. Wed, 3.00. Sat. 5.00 & 8.30.
SUSAN HAMPSHIRE, PATRICK MOWER
SECOND YEAR OF TOM STOPPARD'S
NIGHT AND DAY, Directed by Peter
Wood. BEST PLAY. OF THE YEAR.
Evening Standard Drama Award. The Milodo.

SADLER'S WELLS THEATRE, Rosebery Ave., Ed. 837 1672. Credit cards 837 3856. 10-6 pm. Sun 7-30. J. Strauss's Diff FLEDERMAUS (sung in German). Shella Armstrong, Nigel Douglas, Philarmonia Orchestra.

THEATRES

DUCHESS. 01-835 8243. Mon. to Thurs. Eves. 8.00. Fri. and Sal. 5.30 and 8.15. OH! CALCUTTAL LAST WEEK.

BUKE OF YORK'S, 836 5122. GLENDA JACKSON, ROSE, Red. Price Prevs from Feb. 20.

GARRICK. CC. 01-836 4601. Evs. 8.00 (sharp) Fri. and Sat. 5.30 and 8.30. Gareth Hunt in DEATHTRAP.

GLOSE THEATRE S. CC. 01:437 1592.
EVB. 8.00. Mar. Wed. 3.00.
Set. 5.0 and 6.15. Berry Reid. Barry.
FOSDER, Peter Bowles, Jan Waters In a new
play by Peter Nichols BORN IN THE
GARDENS. Directed by Clifford Williams.

GREENWICH THEATRE S. CC. 858.7755. EVDS. 8.0. Mat. Sats. 2.30 LIBERTY HALL A new play by Michael Frayn.

HAYMARET CC. 01-930 9832 Evenings 8.00. Wed. 2.30. Sat. 4.50 and 8.00. Gerald: Happer K. 150 o'Mara. In the Sherlock Holmes Myssery The Crucipes OF BLOOD by Page 17 The Crucipes WEEKS ENDS MARCH 1.

HER MAJESTY'S THEATRE. 930 6606.
Opening March 19. The Award Winning Broadway Musical On THE TWENTERY CENTURY. Reduced price previews from March 10.

KINGS HEAD. 226 1915. Dnr. 7. Show 8. Estelle Kohler in SHAKESPEARE LAGY. The Life 2nd Times of Fanny Kemble. 1.15 pm NIGHT DUTY.

LYRIC HAMMERSMITH. 01-741 2211.
Mos. to Sat. 7.30. Mats. Thurs. and Sat. 2.50. Last Week! Sandy Wilson's ALADDIN. From Feb 6, prevs 7.30.
COUNTRY LIFE by Carto Goldoni.

YRIC STUDIO, Eves 8. Sets 5.30 and 8.30 CITY DELIGHTS, A Lyric revue,

MAY FAIR, CC. 01-629 3036. Preview Feb. 5 at 8.00. Opens Feb. 6 et 7.00. Subs. Mos., Thur. 8.00. Fri. 5at. 6.00. 8.45. SUSANNAH YORK. DANIEL MASSEY. DONALD PICKERING, FRANCES WHITE In APPERANCES. by Simon Bennussa after Henry James.

NATIONAL THEATRE S. CC. 528 2252.
OLIVIER (Open SIZOE): Tonight (extra per) Tomorrow & Thurs 7.30. Wed 2.75.
& 7.30. Lest serie of UNDISCOVERED COUNTRY by Arthur Schnibder in a version by Tom Stoopers.
LYTIELTOR (proscenium sazge): Ton't 7.45 DEATH OF A SALESMAN by Arthur Miller.

Miller.
COTTESTOE (small auditorium at tickets
Z.50. Student Standby 51.20): Student Standby 51.20): Student O'Neill Seasons Tonight and Tomor. E.00
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Excellent chean capita.

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OLD VIC. 928 7814. Le Gross TSE pro-sents relibrés de Codur D'UNE CHATTE ANGLAISE (Heartsche of an English Pussycat). Poss. 7.3.0. Titurs. and Sal-matiness 2.50. Jan. 27-26.

OLD VIC. 928 7616. Abbty Theatre-Company presents Cyril Casack in A LIFE by Hugh Leonard, auchor of "Da." Feb. 4-15, two weeks only, at 7.30 pm. Suprasored by Kerrysold and S.-& I Line and presented at part of A Sense (relaind "London Festival of Arts).

PALACE CC. 01-457 8834. Moni-Thurs. 8.00. Frl. Set. 6.00 and 8.40. JESUS CHRIST SUPERSTAR by Tim-Rice and Andrew Lloyd-Webber. Group sales 01-379 8051 or Presphone 2381.

PRINCE EDWARD. CC. 01-437 6877. Evgs. 8.00. Mats. Thur. and Sat. 25 3.00. EVITA by Tim Rice. and Andrew Lloyd-Webber. Directud by Harpid Prince.

PICCADILLY, From 9.00 are 437 4505. CC bkgs 635 1071. Evis. 8.00. Thers. 5.00 and 8.00. Sat. 5.30 and 8.30. PETER BARKWORTH, HANNAH GORDON In Erian Clark's new play CAN YOU HEAR ME AT THE RACKULAST 3 WEEKS. ENDS 16 FER. PRINCE OF WALES THEATRE, 930 6661.
An Evening with TOMMY STEELE and his Company, Evgs. Mon.-Tours. 8.30.
Fri. and Sat. 8.00 and 8.130. Book Now. RAYMOND REVUEBAR, CC. 01-734 1593
At 7.08, 9.00, 11.00 pm. Opens Sum.
PAUL RAYMOND pressure 7HE
FESTIVAL OF ERVICA. 22nd Sansational Year, Fully air-conditioned. ADELPHI CC. S. 01-836 7511. MY FAIR LADY. EVES. 2: 7.30. Sat. 4.00 and 7.45. Mais. Thurslays at 3.00. TONY BRITTON. LIZ ROBERTSON PETER BAYLISS and ANNA NEAGE in THE WORLD'S GREATEST MUSICAL MY FAIR LADY. BOOK now Theatre & Agents New Credit Card Hotline 01-836 7358. ST, GEORGE'S TNEATRE 607 1728, Evos, 8, Sat. Mats. 5-124, hr. biog.) -Eid Halle. John Queertia in ON APPROVAL. Fgederick Lonsdale's comedy. Soet-i 2.30 Petts. Toes, to Frl. JULIUS CAESAR. ST. MARTIN'S, Credit Cards, 835 1443 Eyg. B.O., Toes, 245, Sats, 500 and 500 AGATHA - CHRISTIE'S THE MOUSETRAN, WORLD'S LONGEST-EVER RUN, 25th YEAR. YIL OF MIDDEY & 3 TIME OF PURCHASE.

ALDWYCH S. CC. 836 6604. Info. 836

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plays given as a trilogy. Low price preva
this week. 7en't 7.30. Thurs 2.00 Pt 2
THE MURCHES. THES. Thurs 7.30 Pt 3
THE GODS, Wed 7.30 Pt 1 THE WARR
(Stidd ont). RSC 850 at The Warehouse
and at Wyudham's Theatre. Sat. 5.45 and 8.45. mais: on Friday. Gr 437-3856. AMBASSADORS. CC. 01-738 1171.
Eves. 8.00. Frl. and Sat. 5.30 and 8.30.
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DAVID BURKE, ANGELA DOWN in
BODIES by James Saunders. SHAFTESBURY THEATRE. CC. S. 01-836 5555: From Reb 2. Bygs 8.0. Weds 3.0. Sate 3.0 & 8.30. CAROL CHAINNING HELLO, DOLLIT Also starting EDDTE. BRACKEN, Seets. 51-86.50. Group-Book-ings. 01-734 2293. SPECIAL PRICES STUDENTS - OAP's (Wed Mar all seats £2.50 OAP's 6 students). APOLLO THEATRE. CC. S. 01-437 2663. Group Sales 379 6061. Half price prev Ton't 8, Opens Tomor 7, Subs Eves 8, Mat Thur J. Sat 530 & 8.30, TIMOTHY WEST as BEECHAM by Caryl Brohms and Ned Sherrin, directed by Patrick Garland. STRAND. 01.836 2860 Evenings 2,09: Mats. Thurs. 3.00. Sat. 5.30 and 8.30. LONGEST RUNNING COMEDY IN THE WORLD. NO SEX PLEASE WE'RE EXITYSM. Credit Cards 01-335 4143. Group sales 01-379.6051 or Freephone 2381. ARTS THEATRE. 01-835 2132. TOM STOPPARD'S DIRTY LINEN. Monday to Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London. 54.00. \$1.35. \$1.55. plus 15p temp. members. Sat. \$4.85. \$2.85. \$1.85. 2381.

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From 8:00. Diving and Dancing. 9:30
SUPER REVUE. "BUBBLY" AT 11.00
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VICTORIA PALACE CC. 01-828 4735.5 STORIA. CC. 01-438 8031. 01-734 4291. 01-734 4369. BEATLEMANIA. Mom.-Thurs. 8.00. Fri. Sat. 8.00 and 8.45. Reduced rate Group bookings 01-437 3855. 01-437 3855.

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CAMBRIDGE. 01-B36 6055. Credit cards accepted 01-B36 7040. Mon. to Fri. 8.00. Thurs. 3.00. Set. 5.00 and 8.30. THE HIT BROADWAY MUSICAL GREAT MUSICAL ERSAL EINNY LOGAN. COLIN BENNETT DON FELLOWS LIZABETH SEAL EINNY LOGAN. COLIN BENNETT. DON FELLOWS HOPE JACKMAN. G. LYON. Reduced prices for parties 379 6061. 855 6055. Students. Nursea. OAP standby 51.50.

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THE ARTS

ICA Theatre

Dance Umbrella

by CLEMENT CRISP

The purpose, and it is a Santiago Mantas, who accomone, of Dance Umbrella, is to provide a showcase for the many small and Dance groups in this country, and, by inviting foreign participants—the Dutch Springplank and Pauline de Groot; soloists are the UIS are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are are arranged to the UIS are a from the U.S.; an ensemble from Canada—to offer compariwhich she impersonated a deeply silly woman and chating in Plymouth, Cardiff, Bristol, as well as at five sites in London. Inevitably, standards will vary; it would be unrealistic to suppose that there is a suppose that the suppose the suppose that the suppose that the suppose that the s sons and contrasts. During the which next five weeks this omnium deeply gatherum of dance will be seen ted to pose that there is enough creative talent to make each evening memorable, and not the least important of this festival's achievements will be separate choreographic wheat tedious chaff for future sponsorship. from

I saw three of the initial performances at the week's end. The setting was the ICA Theatre, far from satisfactory because of poor sight-lines. It would, however, need more than larger pieces suggested interestfound the only enjoyable aspect if elfin tea-services were being of the evening to be the conreduced to smithereens as four of Pennine scenes, hanging in
tributions of the 'cellist Lesley
Shrigley Jones and the planist Helix accepted the spiralling theatre.

panied Miss Sorkin and also gave well-judged performances of the Debussy sonata and Henze's early Serenade for solo

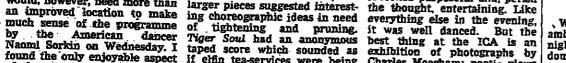
Miss Sorkin offered two works y Rachel Lampert: a dull classical" solo which battened on Bach's third cello sonata, and a rag-bag of posturing in which she impersonated a outfits. A Kaddish by Anna
Sokolow was rampantly emotional "in memory of Anne
Frank"; Phyllis Lambut's
Beethoven Rondo rambled blandly on. Nothing Miss Sorkin did persuaded me of any merit in the occasion.

The programme of dances by Ingegerd Lönnroth on Thursday was stiffened by the participation of artists from the London tion of artists from the London Picnic, about a family—parents Contemporary Dance Theatre. and two children—enjoying After some dim prancing to themselves, and because it renaissance lute music for four aimed no higher than anecdote, girls entitled Small Dances, two it looked purposeful and, perish

form implicit in its title (as did Barrington Pheloung's attractive score for clarinet, oboe, viola and guitar) but dissipated its energies, seeming too caught up in its own convolu-tions. An important structural message came with Jane Dudley's Six Little Piano Pieces which used Schoenberg's score for succinct, Klee-like epigrams for Jaynee Lee, wherein brevity and concentration were both attractive.

On Friday night dancers from

the London Contemporary Dance Theatre presented an evening of experimental works. Three were thunderously intense, and only the closing section of Christopher Banner man's I Sing the Body Electric moved from studio exercises into the stronger and more focussed manner needed for public performance. Patrick Harding Irmer provided a brief the thought, entertaining. Like Charles Meecham: poetic views



Greenwich

 $\gamma_{i+1} \in \mathbb{Z}_{R_{n_i}}$

Liberty Hall by Anthony curtis

Hugh Walpole doing in Balmoral Castle in 1937? Michael Frayn keeps us guess-ing about that for 20 minutes, while they eat their breakfast for George Cole as his doublein a bare, bleak, antiered room, whose huge grate contains only a two-bar electric fire.

fact that the kedgeree is made books are now judged to be of turnips and barley, not rice subversive. She is forced to and fish. Clue number three in write erotic poetry. Dear Godthe surliness of the butler, frey (Julian Fellowes) in a silk McNab, who stumps about in cravat tries to look on the bright

for the Companion of Honour; withdrawn into resigned aloofinstead, - there has been a ness. Hugh Walpole is sinisterly workers' takeover of Britain in absent.

What are Warwick Deeping, 1917 and the one-time Royal mentioned scribes are immured. under the surveillance of one Skinner, a role as tailor-made breasted suit.

Poor Enid (Rowena Cooper) suffers most, not only from the Clue number two lies in the lack of heating but because her wellies and a green beige apron. side and remain a gentleman. Here is no mass investiture Deeping (Anthony Sharp) has



Rowena Cooper, George Cole and Jili Meager

Skinner, while blowing them Enid Blyton, Godfrey Wynn and residence is now a home for all up for not leaving their meal Hugh Walpole doing in writers in which the above-vouchers on the sideboard, anyouchers on the sideboard, announces Hugh has "left." They all know what that means and squabble over who should occupy his room. In the midst of this, he returns and expires of a heart attack when he sees what has happened to his

> The reversal of situations between some iron-curtain regime, as it might be today. and Britain, as it might have been then, takes an un-conscionable time to become established. You feel that what might have begun as a writer's fantasy after a good dinner, and then gone on to become an excellent New Statesman competition, has become promoted way beyond its station as a full-

But at this point, in Alan Dosser's production, things begin to look up with the arrival of a visiting journalist from capitalist Russia (Oliver Cotton and his pretty guide, Jill Meager), who demand to see Walpole. The only thing for it is that McNab should put on Hugh's specs and topcoat, and give them what they want. It is here, in the nick of time, that Mr. Frayn shows considerable skill as a farceur and proves to have many more reversals and surprises up his sleeve than we had bargained for.

Rikki Fulton, a pantomimic comedian with a Formby-size grin, doubles the roles of Walpole and McNab, with splendid dominance. As tots of whisky reluctantly prised out of Skinner hegin to circulate, the cards of identity among the group are doubled and swapped like some manic game of pelmanism. Mr. Frayn loves long, big group scenes. He has an empathy with the need of people living under a repressive regime to escape from themselves in orgies of drunken soul-stripping hilarity. He has been fortunate in his director and cast, who give him strong support at all points. The laughter was continuous. The play does well by the Greenwich stage. Whether it will ever reach the West End I am not sure, but it certainly seems a natural for Pitlochry.



Warehouse

Bastard Angel

ambitious new play on Friday children she has abandoned.

night in company with a predominantly middle-aged audience (well, it is advertised as "not suitable for children"), it was hard to avoid the impres- on. sion that here was a big-scale piece not really good enough for a big stage but offering, almost vicariously, a few insights into an alien culture. Rock star on the slide, victim of all that money, booze, alienation from roots, travel, cocaine, etc. Joplin, Morrison, Hendrix,

perhaps even Presley. They were all destroyed in the end. Mr. Keeffe's heroine, Shelley, lead singer with the Angels, conforms to all the received ideas on the subject except in one crucial respect. She is not particularly self-destructive. Just a bit of a slob with a touching line in self-delusion ing, it is not until about

The major weakness of the of the incest revelation, the which there are many, even if hounding in the Press and so his usually sure touch with hounding in the Press and so on, is weakly dramatised, dialogue deserts him occasion-Charlotte Cornwell, who has ally. The country house passages played Shelley with a fine and I found tedious. Shelley has distant arrogance, suddenly goes a bit silly and starts mooning around in a blanket and listening to Sibelius. Mr. Keeffe has been badly caught out by the demands of narrative in what. I imagine, he started off as an impressionistic look at the rock action is shredded The

through four very exciting interludes at the Berlin concert which has marked Shelley's return to the stage after her breakdown. Andrew Dickson's music is marvellous, very well performed by Miss Cornwell and the actor/musicians, especially that suggests she can keep true Daryl Read on the drums. It to herself by swearing a lot. In has a feel of glitter rock and the course of a very long even-roll about it, but it is also very ing, it is not until about aggressive. The final song is 10 o'clock that any real evidence Ben E. King's "Stand By Me." is produced to explain why Shelley, having rejected Shelley is on the skids. In Brighton she has been somewhat wanly seduced by a middle-class

The new Bette Midler film. sympathy and friendship in life, body stocking although, for some

groupie. He turns up again in The Rose, covering similar terri-role. the Essex country mansion she tory, is almost as long as Bastard

Watching Barrie Keeffe's has taken on. He is one of the Augel and suffers from the same sort of sentimentality and long-windedness. But at least Mr. play is that the destructive effect. Keeffe can write funny lines, of bought the place to revenge herself on a couple of snobbish servants who cold-shouldered her at a gig she once played there. For a character so anxious to be "herself," the ritual humiliation of the butler (fellatio on the dining table by Swedish groupie) is slightly incredible.

Bill Alexander's direction does little to sort out the jumble of the play and is often—except in Berlin - irritatingly inaudible. Donald Sumpter gives a lovely portrait of a lisping, 40-year-old punk ally of Shelley; Alun Arm-strong giggles and plays guitar convincingly as a bottle-nosed Che Guevara leather boy; and Cheryl Hall doubles a foulmouthed, sex-starved administrator with the fellating groupie in an enticing off-the-shoulder reason, she lists herself as Georgette Lindsay in the latter

MICHAEL COVENEY

Elizabeth Hall

Finzi and Lutyens

The Richard Hickox Orchestra has become the City of London English language with unforced as she rose to another distin-Sinfonia; and, to mark the precision and naturalness guished European poet of this change of name, Mr. Hickox, deserves study quite as close century, Quasimodo in 1967 And the orchestra, and the Richard as Massenet's French. (No other Suddenly It's Evening (a cycle small choir of the very highest quality) other is possible.) I find the has often undertaken with great offered on Saturday evening emotional range of the music skill). "A Salutation to English Music." Mostly, it was English music of a Certain Sort — a binge of early 20th century might not leave a different modality, of winding, sleepy, impression. This is not to Anglican-tempered melody in anapaestic and dactylic metres, performance wanted suitable gently loping along. Together, style, or was not forthrightly two Holst Psalms, 46 and 148, and surely moulded (except, for chorus and small orchestra, and Vaughan Williams' Flos Campi for solo viola (Garfield of the tenor's top five notes Jackson, a sensitive; nervous becomes increasingly troublesoloist), wordless chorus and some). But, rather, that he, small orchestra, made for a and Mr. Hickox, did not urge rather unvaried concert start.

Gerald Finzi's Dies natalisthe concert was partly sponsored by the Finzi Trust, and there was more of his music after the interval-compelled a less vagrant attention. The five movements for string orchestra, first performance of a work four of them high voice settings commissioned by Mr. Langridge of Traherne, are each finely with Arts Council funds. The achieved. Though performance four poems are by Cavafy; each of single parts is permissible, clothe a single observation, of the feeling of the whole is an emotional state or of the philosophy and fervour, even in translation (these are reticence and mystical rapture by Rae Devien). Lutyens has

very limited; but wonder whether a performer of higher voltage than Philip Langridge suggest that Mr. Langridge's that is, when the lines curved upwards-the unfocused sound the music into unusual candour, or breach one's early-settled

expectations of it. companions was Elisabeth Lutyens song cycle, Elegy of the Flowers (1978)—this was the fervour, even in translation (these are programme was deplorable.

- Finzi's ability to set the risen to Cavafy, quite as vividly whose solo Philip

Elegy of the Flowers is a "canzonas", vocal-instrumental alternating with purely in-strumental. A four-note motive -in later guises oddly reminiscent of Wozzeck's "Wir arme Leut'!"—makes briefly concrete the itensely poignant but at times almost disembodied lyricism of the music. The vocal line is a heightened kind of recitative; the instrumental writing at once spare and continuous in momentum, radiates a secret magic. In a central non-vocal canzona, a six-bar episode for A world away from its concert tremolando violins and violas, horns, and a glockenspiel tingling along a sextuplet ostinato. repeats itself first thrice, then twice, and finally just once: it seems to sum up the mature, hauntingly beautiful musical response to poetry of like

There was a substantial strongly cyclic. The string physical world, in verse so clear, amount of excellent verse to be writing flows, sonorous, detailed. The vocal settings invoke both municate its special character failure to print any of it in the to use it as little as possible).

Festival Hall/Radio 3

Tippett

by MAX LOPPERT

celebrations spread Londoners a slow movement that calms the rare feast last week: two major sudden, jagged interruption of orchestral works in two success the fast with a gentle, sive concerts at the Festival mysterious whisper of percus-Hall. On Wednesday evening Antal Doratt and the Royal Philharmonic included the Concerto for Orchestra in a pro-gramme of Haydn and Dvorak: on Thursday Haitink and the London Philharmonic placed the Third Symphony alongside Mozart's G minor K.550. The first was broadcast on Radio 3, and the second recorded for future transmission.

The experience of hearing both was notably enriched by movement of Beethoven's Ninth, this South Bank succession. The orchestral compositions. At this thesising them; the discourse contrast and dramatic juxtaposi-

It was not wholly persuasive of Tippett's having achieved a thoroughly integrated structure. and that was, I felt, the con- Tippett books. David Matthews' ductor's rather than the com-poser's fault; but it was an apt demonstration of the imagina-tive profusion of the music. sprayd in delight in such thisses. admirable: a lucid introduction. ductor's rather than the commovement horn trios and provo- and the man-the newcomer

of the coursing violin triplets in the third. earlier music-drama, seems in most eloquently inspired and

The Tippett 75th birthday ing Allegro): In particular, the sion and the spiralling slow dance of the solo viola, embodies perhaps more potently than any other in Tippett's music the special charms it has, unique in our century, to soothe savage breasts. Though elsewhere in Haitink's performance the playing was not always made here was exquisite.

And then the Scherzo, the

quotation from the fourth

the entry of the soprano soloist Concerto (1963), a further deamd the Blues. . . However velopment of bold new ideas much I admire the abundance about forms and sounds first of compassionate generosity in outlined in Tippett's second the statement about 20thopera, King Priam, is one of century experience made by the the most exhibitanting of all his vocal movement, and however warmly I respond to the briltime, Tippett was striking out liant vitality and high colour of along a new path. In the Conthe vocal lines, I cannot escape certo he "collides" different awareness of a giant question orchestral groups, each with its mark hovering over the roking-characteristic thematic material, together of so many incomrather than conventionally syn- pletely assorted styles and poetic images. I would be inproceeds by means of dramatic teresting, once, to hear an American soprano Norman? — undertake the solo: tion. Norman? — unnertake the solo;
The Dorati/RPO performance for perhaps the gain in idiowas a little underpowered, lax matic character would provide about rhythmic definition and the binding felt to be miss-wanting in forward movement, ing last night. Janet Price, a though more successful at warm-hearted and (in lines not characterising the lyrical im-requiring quick agility) poised pulse that lies behind even soprano can hardly be blamed these supposedly sharp-angled for betraying in accent and and hard-edged blocks of sound. vocal movement that the blues is not her birthright.

A brief word about two new sensed in delight in such things simply stated but never simplisas the proud strut of the first- tic in approach, to the music cation of stuttering trumpets, will be persuaded that all the the exfoliating beauty of the birthday fuss is, at the least, slow movement solo cello, and merited, the confirmed Tippett-the argumentative enthusiasm lover finds rewarding explana-White's Tippett and His Operas, The Third Symphony (1972), 142 pages, £7.95) contains almost as evocative of The Knot matter of interest not available Garden as the Concerto of the elsewhere, in the form of a series of letters exchanged its first half-which is to say, in between the author and the its first two movements—the composer during the genesis of The Midsummer Marriage. For completely achieved orchestral this reason only, the book is music Tippett has ever written, worth examination; otherwise. The innovations of the earlier the style is prosaic, the level of period have been absorbed, the discussion low, and the treat-gains reinvested (one of the ment of the operas musically advantages of hearing the two unrewarding. The inclusion of in such close proximity was the A Child of Our Time, an close demonstration of this oratorio taken here as a dry run point, particularly in the Tempo for the operas, is, to say the I-Tempo 2 contrasts of the open- least, unconvincing.

Wigmore Hall

Duo Corre-Exerjean

appeared at one piano on Friday in an all-French programme. hint of mischief. It was very much an after-dinner programme, though moderately enterprising, I regretted not having dined. The duo did not appear to be enjoying themselves much, either.

expounded Bizet's little pieces

Philippe Corre and Edouard Wagner travesty by Fauré and linked set of what are called Exerjean are a duo of some Messager, it was difficult to tell canzonas", vocal-instrumental four years' standing, and they whether they think it a joke it is anything but a deadpan joke, and yet they betrayed no Corre and Exerjean warmed

somewhat in the second and more demanding half of the recital, though they hustled through Satie's pungently original and touching Trois They played with solid taste morceaux en forme de poire as and efficiency, regularly exthough anxious to make the set changing places at the treble reassuringly normal and un-and bass ends of the keyboard. Peculiar. Their brittle energy Exerjean, the more volatile suited Poulenc's very early performer, was inclined to Sonata well, and they attacked overweight the bass, but they a piano-duet version of Milwere otherwise professionally haud's Le bocuf sur le toit with unanimous. Their correct enthusiastic panache. (The piece account of the "Dolly" Suite of itself seems slender indeed withenthusiastic panache. (The piece Fauré lacked a little affection, out its garish orchestral trapas Bizet's Jeur d'enfants pings.) It dispelled at last a lacked verve and colour (they certain froideur which bad touched all the earlier proceedvery dryly, almost as if they ings. The duo probably has had settled the perennial much more communicative evendeplorable. From their rendition of morceaux" in fact number seven.

MAX LOPPERT Sourceirs de Bayreuth, a rude

DAVID MURRAY

SOCCER BY TREVOR BALLEY

Liverpool end the Forest hoodoo

the one team able to dispute Their 2 - 0 victory was In the opening stages of the manager's frustration. the one team able to mispute thoroughly deserved and did second half the host team. With so much at stake and finest in the land and could not adequately convey their all-exerted some real pressure, but the niggles from the previous support this by a series of round superiority throughout a even then one felt that if they meeting still fresh in mind it successes against them in vital game they controlled from start did equalise it would be as a was always probable that some games. Since Forest sailed back to finish. into the First Division under the pennant of Brian Clough Employed they have stolen the League title from Liverpool, beaten them in the final of the League first half was eagerly snapped tion of the two teams nobody them in the nina or the League up by Dalglish, after Shilton had should be surprised at Saturday's eluded Bob Paisley's men — made an uncharacteristic misdismissed them from the take, this fine Merseyside European Championship and machine created seven positive succeeded them as European chances, whereas Forest

FELD

a test of both ability and service, tight marking and little mistakes for comfort, especially unsuccessful warrants a character and Liverpool support than his more talented in their use of the yellow card, but hardly a yellow card.

Although the only goal in the drive straight at the keeper.

Nottingham in the fourth round of the FA Cup, Liverpool knew cis, who had been employed as proven ability to make a team of the FA Cup, Liverpool knew cis, who had been employed as proven ability to make a team and the individuals in it conthey had won only once and a twin spearhead with Birtles. scored three times in their last back to the right hand side of 10 meetings, and they also had his mid-field ine. He also pushed lost 1—0 in the first leg of the O'Neill forward in his place up warned not to criticise referees, will be late and probably come League Cup semi-final earlier in front, presumably because the who have a difficult job without off the worse. The brave, posthe week despite dominating the Irishman is less worried by an the advantage of action replays. sibly the foolish, will take this match. It therefore provided indifferent, almost non-existent However, they do make too many

result. Man for man, and especially in that mid-field engine The referee, Mr. White, was room, Liverpool are for the most correct to be strict, but rather chances, whereas Forest part superior, and on this occa-managed only one, a long-range sion they were at least a class better. The real surprise is that Forest have done so well against Unances

At half time Brian Clough them. It certainly underlines substituted Burns for Lloyd and, the outstanding attribute of more intriguingly, moved FranNottingham in the fourth round

Last week managers were

sistently play above themselves.

NOTTINGHAM FOREST were emerged with great credit but less aggressive colleague. so that one can understand a

result of a goalmouth melee ill-temper would spill out and rather than from a clear-cut fouls occur, even from two such opportunity. Eventually a well-disciplined sides, in which penalty settled the issue. If one examines the composity pended in case he loses his place.

over-did the bookings, some of which were undeserved.

The player who dribbles, and suddenly realises that he has allowed the ball to drift just too far ahead of him and will lose it, is faced with an instant His only choice to regain

possession is a desperate tackle, in which the odds are that he instinctive gamble, which if instinctive gamble, which is the property of the pro

RUGBY BY PETER ROBBINS

Sanson's refereeing will be missed

was the announcement that Mr. banter these days has more edge Norman Sanson had resigned from Scotland's international referees' panel. The reasons are laws and increased competitivevaried-increased business com- ness. mitments, less time to keep fit and, more significantly, a selfconfessed lack of motivation to
carry on at the highest level:

He will be very much missed.

Mr. Salson was in thage of
the selfclicester's John Player match
on Saturday against Orrell.
Leicester the trophy holders,
won 16—7 amid a genuinely

authority. There must be widespread

in refereeing standards. This year, for example, England have nominated only two of three choices for the international panel. There is also anxiety contributions that can be made tively low priority.

Refereeing is a difficult art calling for great tact. I have selves, with Adey seeming to be always thought that good at the centre of this.

ONE OF the saddest pieces of to be a good deal of light second-row forwards. Joyce is news in Rugby circles last week badinage. I suspect that the still not fit and neither Gillingto it. Certainly the referee's job is much more difficult now because of the complexity of Mr. Sanson was in charge of

His firmness has become a by- lively cup atmosphere for this word in the game and the game enthralling game. The pity was will be the poorer for losing his that the two sides met so early in the competition because Orrell would have beaten most concern at the general decline of the other teams. Leicester are a well-prepared

side and much better equipped in the rucks and mauls where choices for the international the strength of Cowling, panel. There is also anxiety Wheeler and Redfern was well about the drop in referee supported by Adey. This gave recruits. But of course these them a constant of the strength of the s recruits. But, of course, these them a constant supply of posdays there are so many other session and they were able to hustle the Orrell pack and pin that refereeing has a compara- down defenders. The Leicester forwards were most adept at slipping the ball among them-

ham nor Hazlerigg is really big enough. Leicester conclusively lost the early line-out to Bainbridge, until they began to use Adey with great variety.

It was a good job that Leiceshalf-an-hour, because after that their halfbacks, Kenney and Cusworth, lost their way tactically. Cusworth is clearly still in shock after his international experience and it was left to Dodge, Woodward and Hare to give the Leicester backs real momentum. Woodward gets away at club level with his alarming tendency to double back across the field but he will not do so in Paris next week.

Orrell's rise in rugby has been coached by Des Seabrook. The lack of bulk in the pack is a problem. It did not stop them tearing in to Leicester but good Orrell may be disappointed mauling is only possible with at losing but their style of good

Bainbridge played particu-larly well. The back row of Webster, Balmer and Turner was quite heroic in defence but because of that heavy commitment were quite unable to give the necessary support in attack. Turner unfortunately made one fateful error just on ter scored 10 points in the first half-time when Orrell were doing all the pressing. A score then would have lifted the team immeasurably.

Orrell's main hope finally lay in counter-attacks with Leices-ter's wayward defensive kicking in this. Prior, whose defensive kicking had been so important in the first half, showed the way and there was quick imita-tion from Williams. Carleton, Orrell's new England cap, had a good share of the ball but meteoric and they have up momentum. It was a great obviously been thoughtfully pity that Fishwick on the other up momentum. It was a great wing saw so little of the ball because he had the beating of the primary Leicester defence.

upper-body strength. play, unsurprisingly closely Nevertheless, the Leicester for- resembling the best facets of wards admitted that they had the League code, made them a lot of friends and new admirers.

thurley 🌣

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Powerful aid for writers

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Instead of wading through the hundred or so press releases which will fill wall racks in the press room, users will be able to call up information about each exhibitor's products on the display screen of the terminal, which is linked to the Ventek integrated electronic office system displayed on one of the exhibition stands. The information is stored on disc files on the system. It will help journalists pinpoint the specific

JOURNALISTS will have a from a list of different types. of equipment on display such computers. When they have selected the type of equipment, the computer will list those companies exhibiting in that

The user selects which company he wants information about. When the information is displayed on the screen, the journalist will be able to edit it to suit his own requirements. Using the VDU keyboard he can add to or amend the basic ininformation provided. When the story is completed to his satisfaction, he can get the information printed out on a printer attached to the terminal, ready to go to his news

Ventek's NBI System 3000 paperwork processor will also be on display at the IMEC exhi-

Menu selection procedures on row Road, Wembley, Middx, gases, the screen will help them choose HA9 6ER. Tel. 01-903 6261.

• INSTRUMENTS

Despatches heat data

ROSEMOUNT Engineering has announced the 345 series of rack mitters and alarms.

These new instruments are based on Euro-card dimensions. The transmitters are ac-powered plug-in units which convert resistance thermometer. thermocouple or millivolt input signals into standard output currents. The alarm amplifier accepts a milliamp input signal

Each transmitter has continuous span adjustment over a 3:1 range by means of a multiturn potentiometer located on the front panel. Zero elevations and suppression are achieved by the use of board links and front are designed to be immune from interference by radio telephone transmitters.

An associated racking system to DIN 41494 allows up to 10 units to be mounted on a 19 inch rack, 51 inches high. More from Durban Road, Bognor Regis, Sussex PO22 9QX (03433 3121).

Simplified flowmeter

NO MOVING parts are used in an ultrasonic vortex flowmeter recently aunounced by Brooks Instrument by, PO Box 56, NL-3900 AB, Veenendaal, The Netherlands.

Basic principle of measurement is that a vortex shedding strut in the liquid flow path causes a predictable series of swirls or vortices downstream, the number of which is directly proportional (per unit time) to survive the detonation of such the flow rate.

The vortices are detected by an ultrasonic beam and transmitted to a solid state signal conditioner which is designed for remote mounting at a distance of up to 300 metres. Flow is indicated on a percentage scale, or the volume is totalised on an eight-digit non-resetting electromechanical counter.

Ambient temperature limits are -15 to +60 deg C and the meter can operate with process liquids from -40 to +120 deg The unit has a virtually obstruction-free flowpath and the pressure drop is only 1.5 psi at maximum capacity.

Trouble free operation is assured with process liquids such as condensate, caustics, Ventek, Station House, Har- acids, hydrocarbons, liquified beer and particle-laden

COMMUNICATIONS

Solves many hotel problems

BASED ON a background of The universal cable is also and these are automatically vision Systems and Research of in conjunction with fire alarms. mounted temperature trans- Beaconsfield is able to offer a communications system for hotels which enables most of the requirements of the modern

establishment to be met. The TSR approach is to have only one multi-pair cable which connects all the rooms and key areas of the hotel to a central computer for purposes which can vary from reservations to check out and billing.

Hotels of 200 rooms and upare the market target for the system, which is based on a Texas Instruments 980 minicomputer and associated keyboard visual display units, disc storage and printers.

explosives during manufacture

to help identify their source, have been produced by General Electric (USA) for the U.S.

Treasury's Alcohol Tobacco and

Each batch of tags would be

coded magnetically and uniquely

to identify the manufacturer of

the explosive and the date and

To help investigators locate the practically invisible particles

at a blast scene, they contain a

phosphor that glows brightly

The magnetic code is gene-

rated through the use of ferrites

-oxide compounds containing

iron, zine and nickel. The

ferrites and the phosphors are

held together by glass or poly-

mer binders that enable them to

TWO machines are announced

From Sealectro, Walton Road,

Portsmouth, Hants (Cosham

73211) comes a hand-operated

diameter semi-rigid coaxial cables. Designated T1844, the

interchangeable guides and has

placeable.

and components for wiring.

Prepared for wiring

for the preparation of cables duction line use, is from and components for wiring Eraser International and will

rotary cutter for stripping the built machine able to provide a outer copper sheath and die- wide variety of bends/shapes

tool is supplied complete with ally operated, the machine

ASSEMBLY

under ultraviolet (UV) light.

Identifies explosive

SAND GRAIN sized magnetic high-energy commercial explo-

tags" that can be blended into sives as nitroglycerine, TNT and

dynamite.

• MATERIALS

Firearms Bureau,

place of shipment.

The room management part of the system, called Somac, has recently been improved with the addition of reservation, point of sale, and guest billing facilities.

Guest name and information is entered on a von at the time of reservation and held in the system memory. Room availability is described by date, day, month and year, number of nights' stay, type of room, named groups of guests/rooms. Overbooking precautions are built in.

The point of sale terminals record guests' purchases at the bar or other points in the hotel

beated to a certain temperature,

called the Curie point. When the composition of a particular

ferrite blend is altered, its Curie

point changes. For example, a

ferrite with a ratio of two parts

zinc to three parts nickel would

have a Curie point of 662 deg. F.

But if the ratio were reversed

automatically cut, bend, loop

and pre-form the axial leads of

electronic components. Known

as the UF2RL, it is a custom-

wide variety of bends/shapes

are possible. Electro-pneumatic-

measures 30 x 25 x 30 inches

Andover, Hants (0264 51347).

wired television and audio able to carry television and stored and related to the which goes back to 1963, Tele-tadio signals and can be used account.

On check out, all guest charges are recalled from the computer and the bill is printed automatically. TSR, which already has

Inn and intourist hotels (in Russia) has a furnover of about £3.5m and has made a total of 100 installations in the U.K. alone. About 70 per cent of its business however, is outside the U.K. and a particular success area has been the Middle

More from the company at The Old Post House, London End, Beaconsfield, Bucks HP9 2JH (04946 71706).

COMPONENTS

Tougher. transducers

TELEPERM-F describes robust The technique used in the coding of the magnetic particles electrical transducers measuring the pressure in gases, takes advantage of the fact that they lose their magnetism when vapours and liquids.

These Siemens components include transducers for the differential measurement of gas presure and flow in the lowand high-pressure ranges. differential measurement liquids for medium- and highpressure ranges as well as absolute pressure measurement.

(three-to-two), the Curie point would become 302 deg. F. It is Output is a standardised loadso sensitive that it can readily independent de signal proporistinguish between different tional to the measured value. "tagged" particles with Curie points only 10 to 20 F apart. The signal can be displayed, recorded, or fed into a con-The tags are being made at the GE Heavy Military Equip-ment Dept., Syracuse, New troller or process computer for further processing.

Measurement is based on the metal bellows principle, i.e. the pressure being measured deflects an aneroid type capsule. This deflection is converted into an electrical output signal by a capacitive pick up. The transducers are of simple mechanical construction using a hermeticmovement

Teleperm-F units for absolute pressure are available in six ranges from 4 to 2,000mbar. For differential pressure they are available in several ranges from 4 to 28,000mbar and for lectric from 0.141 and 0.085 in the leads. Production rates flow metering from 10 to 2,000 of up to 10.000 pieces per hour mbar. The versions for differential pressure, throughout. pressure and vacuum testing adjustable stops for depth and and weighs 89 lb. More from 1 to 2 position of cut. The tungsten Eraser International, Unit M. Siem carbide cutting blade is rehave measuring spans from 1 to 20mbar.

Siemens House, Windmill

Micro eye on motor

Avenue, Rustington, S BN16 2PW (09062 5601).

employed. Signal inputs are derived

others.

Alternatively, overload and undercurrent warning can be replaced by a current input servo controller with separate possible, upper and lower limit settings. Also p related to a reference, and independent relays to steer and centralise the servo.

reference.

range now includes types suitable for operation between -52 and +125 deg C, with mains voltage watts per metre ratings of 31 and 16. BICC, P.O. Box 1, Prescot, Merseyside L34 58Z (051 426 6571).

SAFETY

GENERAL PURPOSE motor protection, servo-controlled current input to a motor or maximum demand monitoring are the three modes of operation that can be obtained from a digitally based protection unit systems installed in Inter-about to be introduced by Ori continental, Sheraton, Holiday Patch Associates, 49 Milton

The company is aiming the product at such installations as induction fans, pumps, compressors, crushers, conveyors, ball mills, and other areas where three phase motors are

from three current transformers in the phases and in the input stages of the unit these are digitised to provide data for an eight bit processor. Command and interrogation of the micro are carried out from a terminal which can be remotely connected over a data link at 1200 baud via a modern. A local service keyboard is connected through an RS232 interface, and a mini could also be connected in this way. The micro in turn is connected, within the unit, to control/switching circuits.

The system can be programmed to perform a number of tasks in motor protection mode including overload monitoring to within one per cent, thermal monitoring, phase unbalance monitoring, undercurrent detection and several

Third mode is maximum demand monitoring in which indication can be obtained of maximum demand exceeding areference entered in absolute kVA, or a percentage of that

RCA has made price reductions of 50 to 80 per cent on its C-MOS microprocessors by using plastics packaging. Sunbury on Thames, Middx. (Sunbury 85511).

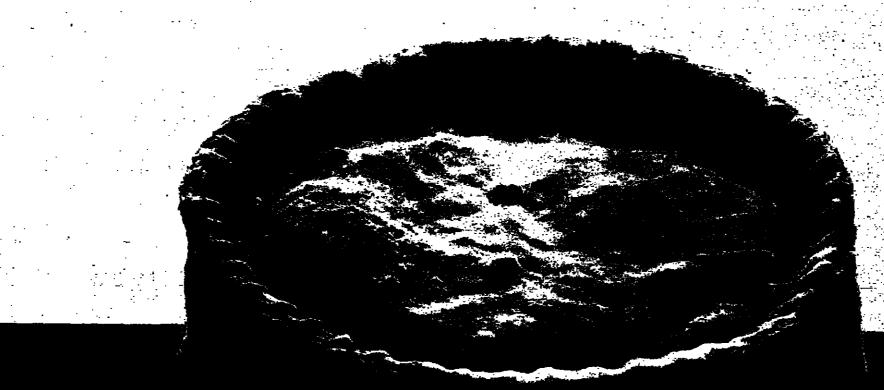
Sunbury on Thames, trolled rectifiers able to dump Middx., TW16 7HS. 09327 85681. peak currents of 300 to 1700

ally welded single-chamber • Econotrace heating cable amps, designation MCR 67-71. York House, Empire Way Wembley, Middx. (01-902 8836). Plug-compatible analogue input boards for the DEC.ISI-11 family can be supplied by Burr

a free one-day course.

Brown 11 Station Road, Watford Herts, WD1 1EA (0923 33837). • Inter can offer the 2114 1k x 4 static random access memory with 50 per cent lower access time and taking about 40 per ent less power. Designation is

Motorola has silicon con- 2114A. More from 4 Between Towas Road, Oxford OX4 3NB.



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simple bay of shelving to a fully automated, computer con-

To find out more about our handling systems, drop Fresh from our factory



EXECUTIVE HEALTH

SPACE NO

PROCESS BO

• ELECTRON

-earning

Rash diagnoses

NOT INFREQUENTLY one the doctor can actually give a of false and often absurd obser- ness of his friends and colvations born of ignorance and a leagues. love of maudlin melodrama.

tions that he has some mild distemper, they begin, in a sepul-chral fashion, "Oh dear! My poor brother-in-law, God rest his soul, had the same. Not half as by an unknown virus, and bad as yours, though. Gone in a usually begins with a "herald"

dirge, so that, by the time he or back. This is followed some

It is a strange human characteristic to rejoice in this type mainly flat, pink spots about the of thoughtless gloom which size of a millet seed which, causes misery to the patient and classically, confine themselves wastes the doctor's time. It to the region which would be might be better if we could covered by a short-sleeved, highrevive the old vogue for attend- necked T-shirt. Curiously known ing funerals—anybody's funeral -to weep and wail and have a fine scales in their centres jolly good time, at least it might slightly raised peripheral edges, allow these antisocial elements and a roseate hue which fades to be ghoulish in less barmful

Then there is the type of friend who likes to play the kitchen Hippocrates. A remark made by one of these to a man I saw recently was as illogical as it was effective. "Well," said this sage knowingly, "that rash of yours must be measles or chickenpox or shingles, seeing you have never had them. Very

The patient did indeed have a rash. But it was nothing his amateur doctor had ever heard of or could pronounce. His victim was very anxious, but as he had no other signs or symptoms, the possibility of his suffering from any dire dis-order could be dismissed. bappier, and, therefore — according to my unashamedly old-fashioned belief tha

The average general practitioner sees many skin dis-orders; indeed they must run a bad second to upper respiratary complaints.

The non-specialist physician often finds these disorders difficult to diagnose and, therefore, to treat. But he may take heart in the knowledge that whatever he prescribes, Nature usually cures the condition as mysteriously as she gave it.

Many correct diagnoses are little more than descriptive; some have charming names reminiscent of flowers, fruits and even sea-creatures. Yet despite this inexact science, the patient is undoubtedly made happier by the knowledge that

sees a patient who is in a state name to the disorder, very often this appears to have a valuable thing quite trivial. Invariably therapeutic effect. Further than the first fault but the state of the this is not his fault but that of help is given if the physician those he fancies to be his triends reassures his patient and supplies him with ammunition tible people, via the exposition against the inquisitive nervous the supplies him with ammunition against the inquisitive nervous the supplies him with a supplies him with a supplies him with a supplies him with a supplies him and supplies him with a supplies him with a

The particular patient I have As soon as the victim men-in mind had a relatively com-ons that he has some mild dis-mon condition called pityriasis rosea (which literally translated means "rosy bran"). The dis-order is believed to be caused patch - a largish red area Others join in the mournful situated on the abdomen, thorax visits his doctor, he is a wreck of 7-14 days later by the major

> This consists of numerous classically, confine themselves as "medallions," the spots have from the centre outwards.

> Few skin diseases follow rules but, in my experience, the statement by my old tutor that the condition is commonest between 17-45 years of age certainly holds; and I find a majority of sufferers in their early twenties. Presumably it is fractionally infectious or contagious, but it is strange that to find two with the same condition in one family is practi cally unknown: this shows that isolation is not needed. Fortunately itching is an unusual feature.

Treatment with one thing or another will make the patient according to my unashamedly old-fashioned belief that patients are human beings who will improve more rapidly if treated with care, sympathy and reassurance — recovery will take place more rapidly. But the condition is said to disappear spontaneously in every case.

May I further upset those who compared pityriasis rosea with one of those fell diseases that struck down their relatives, by pointing out that there is no danger to life for either the sufferer or those with whom he consorts. Furthermore, if brother-in-law who gone in a week," had the same skin disorder, then it must have been a bus - and not the spots -that killed him.

Why Barratt thinks it is safe as houses

Michael Cassell talks to the controversial head of Britain's biggest private home builder

LAURIE BARRATT, chartered accountant from New-castle who has taken a little over 20 years to establish Britain's largest private housebuilding group, is unruffled by the City's gradging acceptance

of his succ Despite its record of consistent growth and almost continuously rising profits, few mentions or appraisals Developments Barratt brokers' analysts pass without some qualification about its brokers' prospects. It is regarded by some as a potentially vulnerable operation in an already risky

business and Barratt is well aware that his company's name invariably conjured up and attached to any rumour which might be circulating about impending calamity in the construction sector. His response to the critics

which haunt Barratt's progress is delivered with an air of resignation which implies regular use. "As a group we have never taken undue risks and never attempted to expand beyond our means. We are in full control of our destiny and very soundly based.

The City's opinion Barratt has unfortunately been clouded by past failures in our industry and it does not always manage to differentiate between good and bad. With good management, building offers a sound and secure future, and we want to be judged on our track record rather than on any general theories about the problems surrounding the construction sector."

At least some of the reservasurrounding Barratt's standing are most certainly based on the wider difficulties to which its chairman and managing director refers.

The patchy record of the construction industry overall, regularly used as a crude economic regulator by successive governprovide ments. sufficient grounds for caution in the examination of any construction group's potential.

The uncertainties are compounded, however, in the private housing sector where allowed to become effectiveappears to be the only stable element and where profit margins seem to fluctuate as rapidly as the mortgage rate. To win unqualified approval

unstable background would at Dr. David Carrick: the best of times be hard but \$200m, a sales target for the record annual sales of up to There will be no trimming that the group is now actively Barratt has in the past also had current year of 11,500 homes within the next back of output in the months researching the U.S. as a poten-

the to contend with more specific criticism surrounding its activi-

> Much of this has centred on its land acquisition policy and its apparent readiness to top prices in order to maintain its vital land bank, which now consists of 35,000 plots and equates to three years' output. The land involved has a current according to Barratt, "worth

The group has built up sizable if not disproportionate borrowings (£40m against share-holders funds of £75m) in order to finance its land holdings and has been regularly accused of over-bidding at land auctions. Barratt, so the theory goes, steps in and buys where others fear to tread, though perhaps fair comment cannot always be expected from a losing bidder. In addition, with interest rates at record levels, Barratt faces high costs in replenishing land reserves which are quickly being depleted.

In the past, say some of the critics, land prices have rarely stagnated for very long and substantial increases in market values have always arisen to save the group from any embarrassment and to enable it to take in what amount to profits on new building. It has been claimed, however, that any prolonged recession in which land prices suffered could inflict a nasty blow to the group's profitability.

Autonomous

Barratt prefers to dismiss such dire predictions and to con-centrate instead on the next phase of an expansionist programme which has progressed at a rate that has itself raised questions about the group's underlying strength.

Barratt Developments has come a long way since it started life as Greensitt and Barratt in 1958, five years after Barratt had built his own, four-bedroomed house outside Newcastle and decided to take bis chance building homes for others.

The group went public in 1968 with a market capitalisation of underlying demand—not always £3m and up until 1972 remained a small-scale operation, largely confined to the north-east. In the past eight years, however, Barratt has spread throughout the UK, expanding via a blend of internal growth and outside against such a traditionally acquisitions. The group now has an annual turnover heading for



Leonard Burt Laurie Barratt: "The City does not always manage to differentiate between good and bad."

aggressive marketing.

are no regional or divisional

sidiary has freedom to buy land.

lines of communication have

proved a fundamental part of

nine out of a hundred"

again become wafer thin.

housing designs. Very

against 10,000 last year, and a four or five years, nationwide spread of 30 subsi-The group's success, according to Barratt, has been based

In the financial year which on the small, autonomous ended last June, Barratt sur-management units and very prised most forecasters by announcing a rise in pre-tax Group headquarters houses profits from £11.2m to £20.7m no more than 20 people; there This year, when output in the private housing sector as a offices and day to day business whole looks set to fall by as is left to the network of much as 15 per cent, Barratt's localised management operamuch as 15 per cent, Barratt's house-building programme is planned to expand by roughly the same amount.

Asked about suggestions that profits in the year ending this June might reach £25m, he grins and confines himself to predicting only that he will be very disappointed if they are not up on the previous 12 months.

Having secured 20 per cent shares of several regional housing markets, the group now has its eyes firmly fixed on a similar proportion of the total UK market for new private homes. Barratt claims to have upped

his group's market share every year, overtaking market leaders like Wimpey along the way, and leaving contenders like Tarmac In the last 18 months, the

group has started half a dozen new subsidiaries to help maintain growth; nearly 20 companies have in recent years joined the Barratt fold, often bringing valuable land banks with them. The most recent acquisitions

include names like Scottish Homes Investment and Ash Homes and more are most certainly on the way as Barratt pushes ahead in its attempt to record annual sales of up to

cent but just as long as wages are rising by 15-20 per cent then as demand is concerned.

"In any case, it is not price alone that sells a house but the product involved and the service which purchasers can expect to time this year." receive.

"There is a lot of talk at the moment about record home loan rates but in reality mortgage money is not expensive and most people clearly know it, judging by demand. The choice is between artificially low interest rates and continuing mortgage shortages or realistic home loan costs and an improved supply of finance. The latter option must be the only

sensible one." Barratt has developed a comprebensive package of customer services designed to help many people over the home ownership hump and to enable exist-

ing owner occupiers to move up. Among the schemes currently available to help sell Barratt the north to £120,000 in London —is a mortgage subsidy scheme to protect buyers from the last huge leap in mortgage rates. Under the plan, by no means a Barratt exclusive, any purchaser tions. "We have local people for will, for the first year, have the difference in payments under local patches and each subthe old 11; per cent mortgage take on staff, negotiate with rate and whatever new rate prelocal authorities or develop new vails made up by the builder.

Move in

our success, though any local operation is always able to draw Perhaps more important, Barratt undertakes to provide every purchaser with a mort-gage, provided normal buildon the overall experience of the Experience and steady nerves ing society criteria are met. may well prove valuable assets In addition, the group will often be prepared to buy during 1980, in a climate of high interest rates accompanied by the existing home of a potenpredictions of a further fall in tial Barratt house buyer in housing output, and another big order to speed up the sale prosqueeze on profit margins. cess, while every new owner Barratt believes that 1980 will receives a £500 credit to be put the subsequent pursee substantial numbers of towards housebuilding companies ripe chase of another Barratt home. for takeover, though he says his

The group also offers a "move group would not touch "ninetyin" scheme, under which the house buyer can take possession of a house for a deposit of as Claiming never to have been little as £250 and then live rent despondent in a slump or over- free while the balance of the optimistic in a boom, Barratt required deposit is saved up. Barratt can claim to have helped inject into the private discusses short- to medium-term prospects for the company with confidence which few househousing industry a marketing builders dare display and he approach more often associated seems unconcerned about prewith consumer goods than with bricks and mortar. It hardly seems surprising, therefore, dictions that profit margins will

ahead, he says. "It is true that tial market for the next phase costs are rising by about 18 per in its expansion.

According to Barratt: "We are are rising by 15-20 per cent then looking closely at the options there is no real problem as far for a U.S. operation and favour a small private company which we can take over. The American housing market is wide open and we hope for a deal some-

The plan is to confine original U.S. operations to house building, offering traditional, American-style homes and making a big effort to help firsttime buyers. The group would then move on to commercial

and industrial development. Despite its confidence over properties has in ten years has nevertheless been steadily building up its commercial and industrial property interests at

At present, between 75 per cent and 80 per cent of groun profits come from house building, with the remainder derived from general contracting and property operations. Ultimately. Barratt wants to see a 50-50 balance between housing and homes—priced from £11,000 in other activities and the capital value of the group's investment properties has in grown from under £400,000 to over £20m and it is expected to top £40m in 18 months time. Rental income is planned to reach over £3m by 1981.

Barratt's move into non-resi dential property is designed to boost income and capital growth but it is also clearly intended to widen what must privately be regarded as a narrow operating base. The group does not however, show any signs of diversifying outside property.

Its latest venture involves a leisure centre in the Scottish ski-resort of Aviemore. This is probably the furthest departure Barratt is likely to make from its mainstream business. The group has acquired a 150 acre site and is developing a chalet. shops and hotel complex, some of which will be sold off, while other properties will be retained as investments.

Despite the carefully paced diversification programme now being pursued, Barratt intends to retain its lead in the private housebuilding league. According to Barratt: "The potential for private housing is enormous. Both major parties are committed to higher owner occupation and private housing output could soon show a big increase over the recent dismal performances. People want to buy their own homes and Barratt intends to be doing the

Condensed Statement of Condition The Fuji Bank, Ltd.

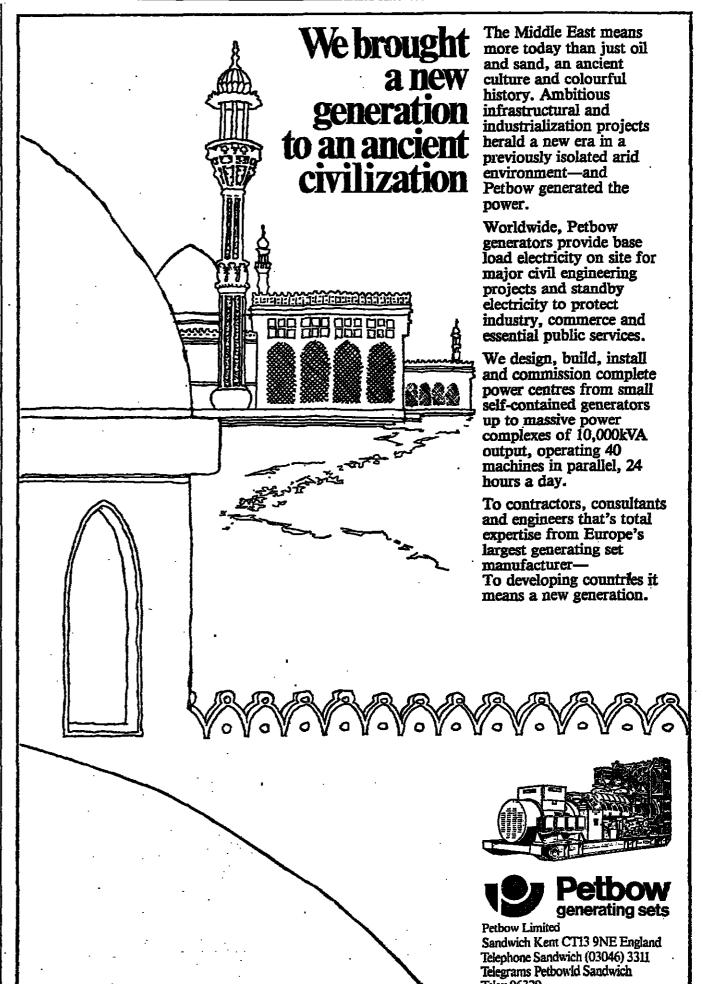
	Condensed Balance Sheet	(Septen	ber 30, 1979)
10	ASSETS	(¥ in 1,000)	(\$ in 1,000)
	Cash and Due from Banks	1,380,383,391	(6,181,744)
0	Call Loans		(1,750,618)
	Securities	1,927,769,830	(8,633,094)
0	Loans and Bills Discounted	7,815,570,580	(35,000.316)
	Foreign Exchanges	1,135,761,450	(5,086,258)
	Domestic Exchange Settlement a/c, Dr	192,015,385	(859,899)
O	Bank Premises and Real Estate	149,917,376	(671,372)
	Other Assets	89,728,288	
O	Customer's Liabilities for Acceptances and Guarantees	1,209,176,629	(5.415,032)
	TOTAL		(64,000,161)
10	LIABILITIES		
	Deposits	10,387,203,120	(46,516,807)
10	Call Money	571,043.682	(2,557,294)
	Borrowed Money	1,011,705,711	(4,530,702)
10	Foreign Exchanges	133,428,589	(597,531)
	Domestic Exchange Settlement a/c, Cr	168,739,379	(755.662)
0	Accrated Expenses	769,340.8 44	(758,356)
	Uneamed Income	51,341,271	(229,920)
0	Other Liabilities	42,599,270	(190,771)
	Reserve for Possible Loan Losses	112,894,849	(505,575)
	Reserve for Retirement Allowances	45,647.604	(204,423)
Į O	Other Reserves	25,798,572	(115.533)
	Other Reserves	1,209.176.629	(5,415.032)
10	Capital (Paid-up)	89,100,000	(399.015)
	Legal Reserves	23.354.917	(104,590)
1 ()	Other Surplus	249,861.560	(1.118,950)
1 =	TOTAL	14,291,235,997	(64,000,161)

000	INCOME Interest on Loans & Discounts Interest & Dividends on Securities Fees & Commissions Other Income	85,930,347 (384,820)
0	Transfer from Reserves	••••
00000	Interest on Deposits Interest on Borrowings & Rediscounts Interest on Borrowings & Rediscounts General & Administrative Expenses Other Expenses Transfer to Reserves GROSS EXPENSES Profit for the Term before Tax Provision for Taxes on Income	211,652,037 (947,837) 52,313,871 (234,276) 81,427,661 (364,656) 59,661,499 (267,181) 242,531 (1,086) 405,297,599 (1,815,036) 19,959,970 (89,386) 6,775,407 (30,342) 13,184,563 (59,044)
0	Balances Brought Forward from Previous Term	0,70,007 1 30,007

Note: U.S. Dollar equivalents are made at the rate of \\$223.30 per U.S.SI-



Fuji Network in Europe: London: London Branch/Fuji International Finance Limited/Japan International Bank, Limited Düsseldorf: Düsse Paris: Paris Representative Office Zurich: Fuji Bank (Schweiz) AG Luxembourg: European Arab Holding S.A.



Bracken House, cannon street, london ecap 4by Telegrams: Finantimo, London PS4. Telex: 8954871, 883897 Telephone: 01-248 8000

Monday January 28 1980

A replacement for Polaris

surprised by the Government's military grounds, that Britain announcement last week that is wrong to try to imitate the it intends to maintain the UK's superpowers with a strategic role as a strategic nuclear submarine-launched system, that power well into the next it is unthinkable that any UK century. There has never been Government would ever actually much doubt that a Tory Govern- use such a weapon and that the ment would decide to replace U.S. nuclear umbrella provides the country's present ageing adequate protection for the Polaris submarine force with a new weapons system. The questions have been: what sort of new system and what will be the arrangement finally reached with the Americans? The Government having dismissed the possibility of collaboration with the French, it will have to rely heavily on U.S.

Mr. Francis Pym, the Defence Secretary, did not reveal the precise nature of the new weapons in his statement to Parliament on Thursday. Mrs. with Americans have been going on for some time. It is widely assumed that the Covernment submarine launched missile system-that would square with Mr. Pym's estimated cost of It would, of course, be suicide £4bn to £5bn — but the final for the UK to launch a strategic decision has not yet officially been taken. What is clear, in the meantime, as Mr. Pym confirmed, is that the Government to contain a future conflict at a is determined to keep the lower level. Strategic subreplacement is available some

time in the 1990s. ton has not yet been finalised, Pym to start bringing the issue out into the open at this stage. Such a potentially controversial issue would in any case have best been faced early in the Government's life. Now, with public anger mounting over Soviet behaviour in Afghanistan, a strengthening of Britain's defences should be easier to to domestic opinion. Equally, if only symbolically, it can be portrayed as proof of the first time, the calculations the Government's determination could well be different. But the to back the U.S. in its call for current issue is whether or not a firm Western response to the at reasonable cost to maintain

who argue that the money could in an unpredictable world and be better spent - either on could also help to reduce the other defence items, on health chances of a nuclear attack. The all. On the face of it, £5bn looks negotiations should not be lost like a lot of money, particularly to sight. But unilateral disarmawhen the Government is trying ment is neither wise nor to axe public spending. There realistic.

FEW PEOPLE can have been will be others who argue, on

The cost, however, when spread out over 10 to 15 years, is not exorbitant. Mr. Pym has pointed out that it is unlikely to absorb more than 5 per cent of the defence budget, much less than the proportion assigned to the V-bomber build-up in the 1950s. On the strategic front. there are arguments on both sides. Obviously, if the new weapons were ever used then their purpose would have been defeated. The aim of a deterrent is to deter-in Britain's case by Thatcher discussed the issue inserting just one small element during her visit to Washington of added uncertainty into the before Christmas, and lower calculations of an adversary. As for the U.S. nuclear umbrella, we are not talking about the foreseeable future, but a time frame stretching well beyond will decide on the new Trident the year 2000, by when the world may have changed unrecognisably.

strike against the Soviet Union. But the whole point of NATO's doctrine of flexible response is Polaris force viable until a marine-launched weapons are the last link in the chain, and their possession by the UK Even if a deal with Washing- could make Moscow think twice about a nuclear assault on there are good reasons for Mr. Britain at an early stage in the conflict. That may not be much comfort to the country's European Allies, but there is wide backing both in Washington and other allied capitals for the continuation of Britain's strategic

Unpredictable

If Britain were seeking to become a strategic power for an existing capacity which gives Of course, there will be those the UK one more defence option education, or, indeed, not at goal of further arms control

A high price for Turkey

Turkey's generals may complain measures is not to belittle the at references to their country as the sick man of Europe, but Tsar Nicholas's description seems sadly topical today, as do memories of the problems the success of a similar package associated with the Ottoman which he introduced in August

Many Turks will object to the mentioning of such points immediately after their govern-ment has announced the country's most radical economic measures in many years. They would be right to object if history did not also involve a lesson—and this time for the West. For a century ago Western economic policies largely contributed to the industrial financial collapse. Today the West must make sure that it does nothing to protract Turkey's present crisis.

The measures announced last week are sweeping. Those of immediate effect include a 33 per cent devaluation of the Turkish lira, the further tightening of credit policy, and steps drastically to reduce the public sector borrowing re-

ovirement. Such classical austerity measures are backed up by policies aimed at achieving a major shift in Turkey's approach to development. The days of autand industrialisation inside a greenhouse of pro-tectionism are to end. The country is to be largely opened panies and banks.

For foreigners modern Turimposed on the Ottomans still comes to negotiating a fresh rankle and mean that it will be a hard task to change attitudes. The problems of introducing in Iran members of the OECD further austerity are yet more striking, particularly when the average purchasing power of workers has fallen by up to one co-ordinating a new "immediate third. Raising fuel oil prices ald package." Figures mentioned and doubling those of coal is for this range up to those of a harsh step in a country short last year. Even such sums will

cessor, Mr. Demirel. That the costly to let Turkey linger as banks and the IMF gave no it is now.

HISTORY is repeating itself. alternative to taking last week's political courage that Mr. Demirel and his minority government have shown. He may have been encouraged by 1970. But that earlier package was taken in a far more favourable international economic climate than his latest

Turkish Governments have long been slow to respond to the crisis and inefficient at drawing down on the facilities made available to them. On the other hand their efforts have been largely frustrated by the rise in oil prices. Export earnings, though growing, are merely keeping pace with the oil import

Such problems are compounded by political violence taking over 200 lives each month, by sectarian clashes, and by fears over the aspirations of Turkey's 8m Kurds.

Mr. Demirel greeted the New Year by stressing how Turks wanted their country to be one of the world's 15 industrial giants by the year 2000. There is a similar grandiose nature about the import programme he has announced for this year. But quibbles over these points should not demean the political sacrifice he made last week to fit in with Western prescriptions. Having done this he has the right to expect assistance in to foreign investment, oil com- return - whether on relatively small matters like the British **Export Credit Guarantee Depart**key has never been an easy ment resuming cover, or larger ones like more considerate treat-Memories of the Capitulations ment from the IMF when it

> agreement. Last year after developments put up a credit of \$900m. Today, after Afghanistan, West Germany is taking the lead in co-ordinating a new "immediate

of fuels and where the weather not get Turkey out of the wood. has been akin to that of Siberia. The West has expressed con-Turkish cartoons have cern over the strategic value of depicted the guillotine of the Turkey. Living up to this con-IMF as having claimed the cern may be expensive and may head of Mr. Ecevit, the former involve responding to a demand Prime Minister, and as being by Turkey to join the Common about to claim that of his suc- Market. But it could be more

Exciting prospects for bio-technology

By DAVID FISHLOCK, Science Editor

SOME OF THE SKILLS BIO-TECHNOLOGY MUST BRING TOGETHER

SCIENCES

Genetics

Physiology

Physics

Toxicology

Biochemistra

Botany

international group of scientists, and backed by International Nickel and Schering-Plough, ENGINEERING recently announced the success of experiments which could lead to the manufacture of interferon. This is a powerful natural protein, discovered in Mechanical engineering 1957, which has shown promise Control engineering

necessary to win success, Dr.

adviser—and a biologist to boot

some important pointers this

month. Dr. John Ashworth, chief

scientist of the "Think-Tank"

in Whitehall lamented the fact

that in spite of the contribution

of British scientists to the

foundations of this technology.

no science-based companies had

emerged comparable to Biogen

in Europe, or to Cetus, Genen

tech and Genex in the U.S.

These are all groups of scien-

tists working at the frontiers of

bio-technology who have man-

from U.S. industry - especially

from mining companies — amounting to many millions of

dollars. None has a product to

Dr. Ashworth reminded the

biologists that the "Porton pot," developed by the Government's

Microbiological Research Estab

lishment at Porton in the 1960s.

trolled conditions, became the

chemostats, as the apparatus is

industry led the way in the

developed its Pruteen process

for manufacturing protein by

British process plant industry.

It is worth

expectations

industrial

leader among such

interest.

market yet.

any in American

aged to attract "racing money

Another government scientific

gave the Institute of Biology

Davies believes.

as a treatment for cancer and infections, and as a drug to help transplant patients survive. Interferon at present can be obtained only from natural sources, making it very difficult and expensive to recover pure. Scientists would like to test the idea that it might even protect us from cancer, but they cannot while supplies are measured in millionths of a gram. If the optimism for the new research proves founded, pure man-made interferon could be one of the first products of "genetic enfirst products of " gineering" to reach the market. For this honour, however, it will be competing with other drugs, such as man-made insulin and

vaccines for hepatitis and influ-

enza, where the big drug com-

LUXEMBOURG - BASED

research company called

Biogen, founded by an

panies are leading the chase. Genetic engineering is the most exciting—and most controversial—facet of an industrial activity called bio-technology. Some of the British Govern-ment's scientific advisers believe that bio-technology holds much if not all of the promise of micro-electronics as a new science-based industry for Britain. But whereas the industrial potential of microelectronics as a manufacturing industry seems certain to unfold in the early 1980s, for biotechnology commercial achievements equal to the microprocessor may not be with us for another two decades.

Examining

Nevertheless, there is evidence that Britain is already as a new way of cultivating losing ground rapidly in a tech-microbes under tightly connology of high added value, where Nobel-prizewinning scientists once gave the country a head start. A report taking called. But it failed to arouse shape in the Government's Advisory Council for Applied Development (ACARD), through a working 1970s with new technology for party under the chairmanship of fermentation. ICI, which has party under the chairmanship of Dr. Alfred Spinks, former research director of ICL, seems likely to urge much more action feeding microbes on methanol by government agencies if made from natural gas from a Britain is to regain a place in laboratory discovery to a 60,000

the forefront of bio-technology. tonnes-a-year plant, had to order One leading government the big fermenters from France scientist snee sts that perhaps Britain should already be thinking of a "DNA Valley," analogous to the famous Silicon ourselves that bio-technology Valley in California, where already exists in a familiar form many of the seminal ideas of the as the agricultural industry micro-electronics industry were with its techniques for plant and born. Dr. Duncan Davies, chief animal breeding developed, as scientist and engineer at the Dr. Ashworth points out, by Department of Industry, points neolithic technologists. But this out that the technical skills industry has probably reached in the technical skills industry has probably reached the big technical skills. invoked by bio-technology cover the end of the road for any a wider area than almost any other technology (see table). advance, not least because it has At present research at the fron- become so energy intensive in

tiers is widely scattered - at terms of ertilisers and chemical London, Cambridge, Runcorn, Edinburgh and elsewhere. Only

agents + control. The advanced forms of bioby carefully grouping the laboratories and pioneering comtechnology are micro-miniaturised forms of agricultural mercial plants may Britain be breeding which, like their elecensure the degree of tronic counterparts, are much less demanding in energy and collaboration and interaction other resources, except for human skills.

Politics

There are three main divisions of great interest at present. First there are the new possibilities opening in fermentation technology, now that the technologists have learned to conduct fermentations — which amount to micro-breeding continuously, where before they were hampered by the timehonoured batchmaking methods for instance, of brewers. The Japanese, working from a traditional industrial base for fermentation products such as soy sauce and saki, have exploited brilliantly the new technology to make new drugs and fine chemicals.

Britain, however, has two major examples of new fermentation technology. ICI's singlecell protein for animal feeds has reached the stage of a commercial-scale demonstration and survived rigorous scrutiny possible health hazards. ICI is on the point of producing protein from its new plant. Tate and Lyle is engaged at Reading on pilot-plant trials of a continuous method for fermenting alcohol which, by its speed and by yielding much higher alcohol concentrations, could make alcohol competitive with petrol as a transport fuel. Both processes depend critically on new micro-organisolated by company scientists and cossetted to an unprecedented degree under

The second area of bio-" living reminding drive reactions much faster and tive to persuade dramatic power for driving reactions founded regulating system might be harnessed, without all which could prove of inestim-

factory conditions.

ener Britain abandoned.

enzymes were emerging as the first wave of the new biobusiness, 30 per cent of world bio-technological patents origin now simply abandon all efforts ated in one country: the UK But to regulate research in genetic of the patents delivered since 1977, 124 originated in Japan, 39 in the US, nine in the USSR, eight in West Germany, seven in France, one in Denmark and just one in the UK. The third area of excitement

in bio-technology is one which promises to rejuvenate both microbial and enzyme technologies and to spawn still more dramatic industrial innovations. This is popularly known as genetic engineering—the manipulation of the genetic material of micro-organisms. In this way one may be able to persuade microbe to do something, or to do something faster; or stop it from acting in a way that might be harmful.

the problems of recovering them later from the new

the Science Research Council, which launched a significant effort in enzyme chemistry in the mid-1960s, the industrial benefits of immobilised enzymes never blossomed in Britain. One industrial product, a sweetener veloped by ICI, fell victim to the European best sugar lobby, which obliged the EEC to tax it out of the market. Again it was the Japanese fermentation industry which exploited imenzymes, bound chemically to a porous solid (such as porous glass) or trapped in a gel. According to the journal Nature, no fewer than five Japanese companies today are in production with techniques involving immobil-ised enzymes, making such products as antibiotics and food additives-including the sweet-

1967 and 1971, when immobilised

The techniques, first demonstrated in the early 1970s, use enzymes as micro-miniature surgical tools for "transplant surgery" on DNA, to slice up and sew together again the genetic material. These techniques, known to scientists as recombinant DNA research, are beginning to yield new microwhen harnessed to the advanced fermenter technology of the 1970s in which the newly created organisms would breed, are the foundation of present hopes for bio-technology as an emerging high-added-value in-

In spite of the foresight of

The 600-tonne fermenter—claimed to be the world's bigges designed by ICI for its \$40m protein manufacturing project To quote Nature "Between

catalysts"-agents which like ing the research, called for a operations involving thousands the more conventional catalysts moratorium while the public of litres. He now wants to crucial to modern chemical and dangers were examined. The recruit a group member versed petrochemical industries, can call was sufficiently authoritafurther than they would nor- governments -- including those looks like," so that his group mally go. In the 1960s scientists of Britain and the U.S.—to foresaw that if these "living examine the fears carefully. As securely industrial plant might catalysts" could somehow be it turns out, the fears under- be expected to contain a danbuilt into an engineering struc- lying their call proved not to gerous ture and made part of a be valid. But it has produced, chemical plant, their immense for Britain, a scientifically

steady transition of genetic engineering from laboratory benches through development and into industrial proces (There are fears that the U.S., where all the fuss began, may now simply abandon all efforts engineering.)

The Government watchdog in Britain is called the Genetic Manipulation Advisory Group (GMAG). Its chairman is Sir Henderson, former of the Agricultural secretary. Research Council, where he introduced a major research effort into the application of over 500 research workers in Britain are already engaged in genetic engineering mostly in university, medical or agricultural research centres. But research councils would need they include two industrial launching aid" from the teams: those with ICI's corpublic purse. porate laboratory at Runcorn; and with the reseach centre at High Wycombe of the U.S. drug progress made towards a new

source of influenza vaccine, To give perspective to the scale of operations in Britain at present, GMAG has just released draft guidelines on the safety precautions that it believes are needed by these researchers in scaling up their experiments—to 10 litres or so. Sir William says his group has already discussed one such application for its approval, but he will not disclose which

in chemical engineering "who knows what a large fermenter can more expertly judge how mutant strain of

This spring the Government expects to have the ACARD report on bio-technology

able assistance in ensuring the Britain from Dr. Spinks's work-steady transition of genetic ing party. This report is likely to portray the emerging oppor tunities of bio-technology as still at the "technology pash" end of the development spectrum, and hence in urgent need of public investment to bring it to the point where "market will drag it into the commercial arena as a new indus-

One way of providing "technology push" would be for the five research councils to mount a joint research and development effort, bringing hiologists and engineers together, perhaps under the kind of directorate the new techniques to plant the Science Research Council breeding. Its records show that has already set up in two other areas of great industrial potential, marine technology and polymer technology. But such an effort by the hard-pressed public purse.

Another way, ACARD might

say, is that the Governme must set out to promote and company G. D. Searle, which assist bio-technology as a recently disclosed important national project, perhaps the national project, perhaps the responsibility of the National Research Development Corporation. This agency of the Department of Industry was originally set up in response to Britain's failure to capitalise on the discovery and development at Oxford of penicillin, a product of bio-technology. Its handicap the full confidence of the chemical and pharmaceutical industries, which are the most likely to exploit bio-technology.

boratory.

A third and far more
But Sir William believes that ambitious course for ACARD the field is developing fast would be to propose new ways The possibilities were at enough for GMAG to be think in which the Government might technological excitement today first greatly confused. Leading ing seriously about the prob-stimulate British investment in gas, petrochemical and drug industries all have both the profits and the patience to make long-term investments in technology of direct relevance to their future products. The banks. say they have "racing money" searching for new ideas to invest in. The right kind of stimulants might even induce the scientists themselves and other private investors to plunge, as they are doing in the

Taking the stress out of security

Security firms, for one reason and another, have a distinctly dubious reputation in Britain. Even within the industry there is a high level of support for some kind of official control, if not necessarily of the type envisaged by certain MPs. Until this exists and the industry is able, for instance, to

consult police records about the honesty of potential employees, security companies will always live with the nightmare of occasionally hiring a criminal. Backdoor access to police records is widely practised, but is itself of questionable legality. Ex-paratrooper Peter Heims,

40, one of the country's most successful private investigators. claims to have discovered a foolproof way round this problem. When he set up a security firm in Leatherhead four months ago he adopted the technique of subjecting all 40 of his employees, including the managing director, to a lie detector test. "We had a bit of trouble with the Transport and General Workers' Union," he tells me. "But in my advertisements I do say that everyone must be prepared to take the test. I've found that people prefer to work for us solely because of it. It's almost like giving them a certificate of being 'clean,' which doesn't

The machine cost £3,000 three years ago when Heims bought it as a service to (mainly American) clients. It proved particularly useful in clearing up theft cases dealt with internally by companies; when he set up his security company it saga of CT Bowring's attempts struck him that he could use to heat off the £237m bid from it too. The lie detector is, he Marsh and McLennan, the feels, "more positive" than world's biggest insurance either graphology or astrology, broker. both of which he looked into.

do not apply, or make an excuse

exist at the moment.'



We decided to put the games where they were really needed."

journalist anxious to secure a story about the unreliability of technique. Another genuine recruit - showed stress when asked if his name was Robert, as it was. It turned out that he was usually known as Had Heims himself gone

through the screening process? "I felt I had to, and yes, I came out clean as a whistle. If I told you I'd failed I'd be right in the cart wouldn't I?

Regan's postbag

Some unusual tactics are being deployed in the continuing

I hear one group in Bowring's The test has proved a deter- London headquarters has been rent to criminals. They either advised that it would be "a good idea" if they wrote not only and leave before being con- to their local MPs protesting

reactions among more worldly employees of my aquaintance is that it may be straining loyalty a little in some instances.

Bowring's itself claims to know nothing of any appeal from the top of the hearts and minds of the grassroots. But "people down the line," concedes spokesman Stuart Chant-Sempill, may have felt moved to suggest that their staffs do all they can to help in the hour

Books to baseball

New York has lost a lot of businesses since its 1975 fiscal crisis, so New Yorkers were relieved to learn at the weekend that the New York Mets will not be joining the exodus.

Not to be confused with the Metropolitan Opera, the Mets were once the baseball team in the city. Their star has lately been on the decline, but the possibility of the Mets-who had een put on the market-being snapped up by outsiders even provoked suggestions among New York councillors that the bankrupt city should stretch its overdraft to keep them. It did not come to that. The Mets are pass into the custody of another well-established New York institution, the Doubleday publishing company, which has paid a record fee of \$21m for

Doubleday is convinced it can turn around both the team's financial and sporting fortunes. Even if that proves problematic. the company can probably rely on a capital appreciation of its new asset outstripped in the last eight years only by gold. Warner Communications, which in 1972 paid just \$25,000 for the franchise of the New York Cosmos soccer team, reckons its property is now worth at least \$10m.

Apart from such inviting investment prospects, a sporting flagship has excellent nected up to the apparatus. Only about the bid, but also to Jack publicity value. Doubleday has one person has actually failed. Regan, thrusting chairman of a further, more sentimental, in Found to be suffering stress the would-be predator. The terest, too. Legend, if not the throughout his interview, he success or otherwise of this ploy record books, has it that base-

remains to be seen. Initial ball was invented by none other than Major General Abner Doubleday, a minor Civil War hero, in the early 19th century. The present head of the publishing house is his great grandnephew.

Marine manners

Late entries are still trickling in—about a year late—for that disastrous competition of mine aimed at winkling out humorous anecdotes about accountants. Probably the best story so far is true-that a Bradford accountant is compiling a book

about accountancy humour. One of the new arrivals on my desk which he may find useful concerns a priest, an engineer, and an accountant adrift on a raft after a ship-wreck. They were quite near an island, but being carried past by the current. "We must all pray," said the priest. Impatient for action, the engineer instead jumped overboard and began pushing the raft in front of him. He was quickly savaged by sharks, and was rescued only with difficulty by his com-

panions. Undeterred, the accountant dived in, attached a rope to the raft, and pulled it to safety. The sharks obligingly cleared a path for him. the sharks in such a good mood?" asked the slightly-mangled engineer with some invitation. "That," replied the accountant, "was professional courtesy.'

Chum abroad

A firm in Hounslow has just been favoured with a circular from a felicitous-sounding organisation in Hong Kong called Rich Friend Company. "Receiving a letter from this source during January convinces us that 1980 is going to be a good year," says one of the directors. The address, however - Pottinger Street - sounds

Observer)

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Association of **British Generating Set Manufacturers**

The Soviet invasion of Afghanistan has given enormous importance to Oman, which lies at the entrance to the Gulf. The strongly pro-Western Sultanate gives top priority to defence and security, but needs to start diversifying the economy away from oil.

New importance to the West

By James Buxton

THE SULTANATE OF OMAN overthrow of the Shah of Iran, facilities under Sultan Qahoos months. The Soviet invasion of Afghanistan and the fiercely anti-Western attitude of the Government in Iran have forced the Western countries to look hard for reliable friends around the Gulf, upon which they are alarmingly dependent for their oil supplies.

Oman seems well placed to be of assistance to the Western countries. An outlying part of its territory forms the southern side of the crucial Strait of Hormuz, at the entrance to the Gulf; the rest of it, with its 1.700 km Indian Ocean coastline, is safely outside those shallow, constricting waters. While other states in the

peninsula — notably Saudi Arabia—shy away, at least in public, from the idea of co-operating militarily with the West in times of crisis, Oman has recently made clear that it would allow U.S. forces to use its military facilities in an mergency though it does not ant foreign troops stationed remanently on its soil.

For Oman the attention it is suddenly receiving from the West, including a visit by Lord Carrington, the British Foreign Secretary, earlier this month, is a vindication of several years of warnings about Soviet encroachment in west Asia and the Horn

of Africa. There is much to be said for increased Western co-operation with Oman. To someone in the industrialised world it seems orderly and efficient, with well-run. British-led security forces and expatriate-run police. It has come through the past turbu-lent year in the Arabian peninsula after suffering fewer

has become something of a on whom it depended for mili- has transformed the country, front-line state in the past few tary protection and as a counter- and smong other things weight to the Arab world.

revenue which is roughly suffiso large as to lead to the colossal waste and mis-allocation of resources of some of its neighbours. Omanis are bright. usually keen learners and endearingly frank in their

In the past nine-and-a-half years, Sultan Qaboos bin Said, now 39, has dramatically completed the process of bringing Oman into the 20th century began, perhaps against his will, under his father Sultan Said bin Tairmur. The writ of the Al bu Said dynasty, which has ruled the country since 1744, ran for most of this century only in the area around Muscat, the capital, and the Batinah plan to the

Social changes

The villages of the mountainous interior were effectively in the control of competing tribes owing a greater or lesser degree of allegiance to an Imam or spiritual leader. It was Sultan Said who, with the help of the British and the beginnings of a modern army, suppressed and destroyed the Imamate in the late 1950s.

But Said was frightened by the social changes that education and economic development might bring, and Omanis were mired in disease and ignorance until 1970 when, three years after government penury ended with the start of oil exports. Sultan Said was overthrown by his son Sultan Qaboos, hitherto kept in seclusion in the southern province of Dhofar.

The fast development of

decisively extended the Govern-It has the benefit of oil ment's control over the hinter-revenue which is roughly suffilland, reducing the importance cient for its needs, but is not of the paramount sheikhs and achieving a degree of control and unity in a fundamentally tribal country which is the envy of Arab states, such as North Yemen where this has not been achieved,

> Another success was the ultimately successful prosecution of the war in Dhofar, against the Communist-backed Popular Front for the Liberation of Oman guerrillas by 1976, with the help of Britain. Iran, Jordan and other states; in the process developing the armed forces into probably the most efficient in Arabia.

Sultan Qaboos's accession was followed by the return of thousands of the more qualified Omanis from exile and work abroad, and exiles from Zanzibar, forbidden entry by Sultan Said, were allowed in. Oman has enjoyed something of a renaissance in the past decade after a century of stagnation.

Why then should this apparently admirable country be a source of concern both in the West and among sympathetic fited people enormously, it also fully or even to get projects Arab states?

Partly, it is because the fall of the Shah has made Western analysts more sceptical in larly those which seem superficially pleasing to the Western

ruler who takes Islamic sensibi-

were in part the undoing of the

British Government, source of much of the concern, is heavily involved in Oman through the presence of about 140 seconded officers and NCOs running the armed forces; and through the Government officials who are there on private contract, over whom Britain has no control. So Britain fears being exposed to embarrassment or worse if anything goes wrong in Oman, yet it has little power to influence

events on the ground. The first area of concern is economic. Development fuelled transformed life for Omanis in the past ten years. Recently, south which, together with the doubling of the oil price in 1979. means that Oman is assured of a substantial income for several seemed likely that oil production was set on a constantly declining path from 1976

New projects

of the economy up to 1976 benedislocated the old economic going. structure of the country, the relationship between coast and assessing the political stability the delicate water distribution ging doubts about future water of developing countries, particu- system of the mountains, in supplies, as there are elsewhere have probably yet to be felt.

lities seriously, the sultanate causing stagnation or recession between ministries and lack of also has some of the elements and leaving many small gaps in impetus from above—something of modernisation and some of the infrastructure still to be which is not lacking in the except Qatar, and despite the roads, education and health the trappings of majesty that filled. Prosperity has tended to defence establishment, which

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be concentrated in the capital area around Muscat, the politically sensitive Dhofar province more oil has been found in the and the Batina coast, rather south which, together with the than in the interior and the strategic Masandam peninsula. These areas have suffered heavy emigration, either to years to come (previously it the capital area or across the border to the much richer United Arab Emirates.

Oman has potential alternatives to oil to develop-agriculture, fishing, copper mining and, perhaps, industry — but While the fast development relatively little has so far been done to stimulate these success-

All oil states face enormous

problems in developing viable ways whose full social effects in the Middle East, but there is a suspicion that Oman does Though Oman has a far financial prudence and govern-seriously enough, in view of smaller population (probably ment disorganisation have relatively short life expectancy not more than 850,000) and a slowed down the rate at which of its cilealds. new projects are commenced, of co-ordination in Government

VЦ

Oil and gas industry

still accounts for nearly half argued that the system actual Government spending. Resentment at disappointment for economic reasons could, despite the new oil wealth in the pipeline, become a political

Sultan undoubtedly popular and many Omanis enjoy basking in the aura that the officially encouraged cult of his personality has created, and instead direct their resentment against some of his senior ministers and advisers, or against the expatriates.

There is no forum for the expression of popular opinion, whether a formal assembly or a system of informal assemblies, the majalis, known elsewhere in Gulf where almost anyone can come to put his point of

Instead the Government relies almost totally on the reporting of the different arms of government - the walis or provincial governors, the police, the army and the intelligence service—to gauge public opinion, and thus places heavy trust on those officials reliability and Al] lines efficiency. communication lead to Sultan, who is Prime Minister, of Defence Minister Foreign Minister as well.

Sultan Qaboos, in a conversa-

sound, and it is clear that he is fully aware of what goes on. Majalis, he argues with much justification, are an inefficient and time-wasting way running a modern state.

The modern palace of Sultan Qaboos stands beneath the 16th century

Mirani fort in the capital, Muscat

Though he is sometimes criticised for seeing too few people and spending too long in Salalah, the capital of Dhofar, he argues that he sees his subjects almost constantly. makes long tours often to very remote places, and does not give Salalah a disproportionate amount of his time.

Terrorist groups

There seems little doubt that since the fall of the Shah. Sultan Qaboos, who is without an heir, has given greater attention to being accessible to his people. But it is not clear why Oman should not have a consultative assembly representing all the main groups of the country, unless it is argued that Omanis would consider it a

However, those who believe that there is a strong internal threat to the Sultan's rule can rarely point to any group likely at present to succeed in overthrowing it. A greater danger is of creeping subversion by terrorist groups such as the South Yemen-backed Popular political structure.

or Palestinians, who by terrorist activities Omani society's self-confidence and expose the weakbrought. Whether this bappens depends rather less on Oman's highly protective security forces than on the stability and security of Oman's neighbours.

For all its orderliness, Oman is a slender force to be a major instrument of Western policy Its support for President Sadar's peace treaty with Israel has partially isolated it from other Arab States. Its population is small and, for the most part. still inexperienced, and much that is impressive about Oman is due to the fact that the Gov-ernment is prepared to employ expatriates in key positions. Their gradual replacement by Omanis, as more and more become qualified, carries its own dangers, especially in the armed forces.

This means that even with more money the next few years will be difficult for Oman. The Sultanate faces real external dangers and is right to emphasise them, but it would be a pity if they were allowed to overshadow the need for more dynamism in the economy and the creation of a less brittle

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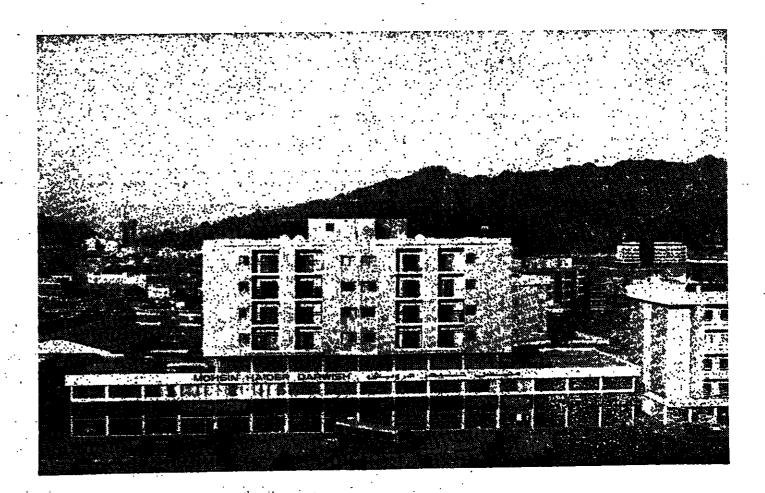
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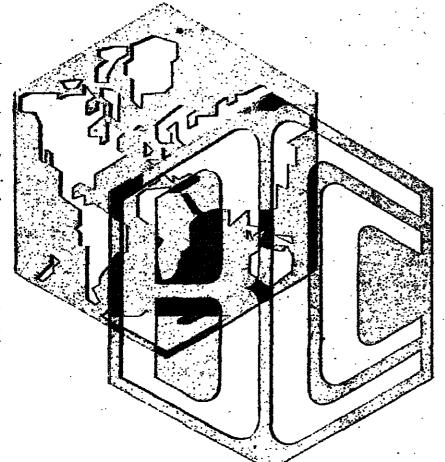
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Economy ready to advance

doubled its oil price within 12 happen depends largely on the Government starting up projects which have been held up by bureaucratic delay and, more creditably, financial prudence.

Oman is only a small oil producer-the second smallest in the Arabian peninsula with 297,000 barrels per day output, last year. This has to provide for a population variously estimated at between 600,000 and 850,000, whose contribution to gross domestic product in the form of agriculture, fishing and other economic activities is overshadowed by the oil sector. Oil alone has not been enough to meet Oman's financial needs, at least until the middle of 1979. In the past few years, grants and soft loans from other Arab countries—not all of which materialised when expected—have played a big part in the Government's budget calculations and helped correct the endemic marent account be

endemic current account bal-ance of payments deficit. The spectacular oil price increase of 1973-74 when revenues quadrupled accelerated mightily a surge of development spending which effectively com-pleted the basic opening up and modernising of the country set in train when Sultan Qaboos came to power in 1970. But the 1974 revenue increase led to alarming overspending-in that year the Government spent twice what it had intendedand the Sultanate had to resort to borrowing internationally on commercial terms to meet the

official deficit. The boom, which was accompanied by high inflation rates, had been brought under control by 1976 when the almost inevitable recession began to bite and growth of the money supply slowed drastically. But, by that time the Government had created the institutions, such as a central bank, and procedure for vetting tenders whose earlier absence had allowed the over-spending to take place. It also presented a plan for 1976-80 which faced up to the fact that oil production (which reached a peak in December 1975) was declining, and that Oman must diversify its economy.

The economy of an oil state such as Oman depends on the months. The stage appears to Government pumping money be set for ending a period of into it, but Government spend-economic stagnation and fiscal ing fell from RO 574m in 1976 stringency which has lasted for to RO 524m in 1977 and then three years. But for this to rose to RO 560m in 1978-still a decline in real terms. Part of the reason was that actual revenues fell in 1978; oil receipts dropped because of lower out-put (from 365,000 b/d in 1976 to 314,000 b/d in 1978) and because of the implementation of a new revenue/profit formula with Petroleum Development (Oman), the main oil company, to encourage it to develop the southern oilfields which will

boost oil production to 360,000 b/d at least until 1984. This formula brought the Government smaller revenue per barrel. The flow of grants mainly from Abu Dhabi and Saudi Arabia was erratic. Funds which the Government optimistically put in the budget as committed did not materialise and, in 1978, receipts from this source were only RO 6.7m, against RO 92.7m in 1977.

Chary attitude

These two factors were the cause of a fairly chary attitude to spending by the Ministry of Finance. But another reason for the steady decline in the level of development spending from 1976 to 1978, affecting all sectors except oil, was a series of delays in commencing projects. In part, this was due to more rigorous vetting of tenders and closer study of projects' viability which should have reduced costs.

The new trend was towards smaller schemes — a rural road here, a better school building there — to fill gaps in the infrastructure. But such projects have tended not to get off the drawing board, as a result of inertia in many ministries, bureaucratic obstruction and lack of firm direction from the top. Productive projects, such as a proposed cement plant in the capital area, a copper smelting scheme at Sohar and other smaller projects also failed to get started as a result of a complicated interaction of muddle, 1979, providing them with vested interests and caution. Actual capital spending in the non-oil sector in 1978 was only RO 89m—half what it had been in 1976 in money terms and even less in real terms.

Naturally, the private sector also cut its spending, partly reflecting the lack of official spending and partly its reduced income as a result of housing vacancies and falling rents. In 1978, imports went down in volume — but price rises took the import bill higher — while the expatriate labour force probably declined. Construction was in the doldroms as projects were completed and new ones failed to materialise.

Only the defence sector

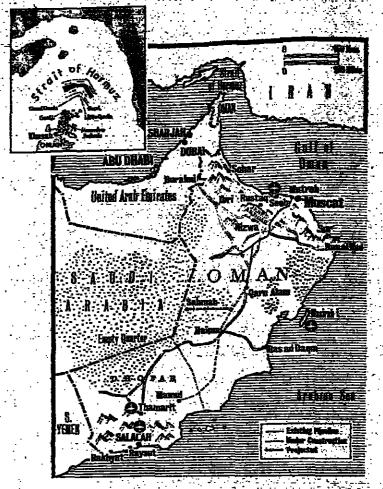
maintained its reputation as a big and effective spender in 1978. While civil spending outside the oil sector came to only 63 per cent of the amount budgeted-partly because of economies, but mainly because of failure to get projects under-way—defence spending met its budgeted target of R0.265m exactly. Thanks to the failure of the civil authorities to meet their budget, defence accounted for some 48 per cent of total spending. Between 1975 and 1978 defence spending has made up between 45 and 50 per cent of the total.

This was the background against which the Government forecast another budget deficit of R.120m for 1979 (omitting committed loans and repayment of loans). But as the year went on, the price of Oman's oil was raised seven times. The Govern ment also cut credit on oil shipments from 60 to 30 days and so obtained payment for 13 months oil supplies during the year. Incremental revenue for oil cannot have amounted to much less than R0.200m during the year, as against the original anticipated oil revenue of

R0.480m. By October, the Government was anticipating total revenue of about R0.520m, according to Mr. Mohammed Musa, Under-Secretary at the Ministry of Finance. A \$150m loan arranged in July turned out to be barely

The Government stepped up its recurrent spending to match the new revenue, giving all its rise backdated to January 1, allowances to pay for elec-tricity, and it accelerated payments to those qualified for social security benefits.

Despite the extra impetus 1979 budget did not appear given to development spending until late March), it should



the government anticipated a show a near doubling of the oil surplus for the year with ministries not expected to spend all their increased allocations.

But, during 1979, a larger number of projects began getting underway, including developments in the long neglected Masandam peninsula, while roads in Dhofar began going out to tender. The con-tract for the important Nizwa-Thamarit north-south road went to Consolidated Construction. International .

There appeared to be some movement on the copper scheme, while the Government dusted down plans for an oil refinery and decided in principle to go ahead with it, while studies of a direct reduc-tion steel plant were announced. Although the 1980 budget has not been published (the

revenue, even though output is likely to decline in the first nine months of the year before pick-ing up again later as the new Onofar oilfields come on stream.

The revenue prospects for the Sultanate look good at least for the next few years, with high prices and production which could well turn out to be higher tian the conservative forecasts. Whether 1980 turns out to be a year of major expansion for the Omani economy depends heavily on the Government loosening the constraints on spending without letting it slip out of hand. An increase in defence spending looks almost certain with new purchases scheduled. But the gaps in the infra-structure still have to be filled and the long-heralded diversification of the economy away from oil has yet to be started

James Buxton

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Oil discoveries reverse decline in production

THE PROSPECTS for Oman's has taken place, it has emerged oil industry, on which the that the township is built over country almost totally depends, have been looking much more healthy lately. A series of small that the township is going on a healthy lately. A series of small that the country almost country almost totally depends, have been looking much more healthy lately. A series of small that the properties will soon of the country almost totally depends, have been looking much more healthy lately. A series of small that the country almost totally depends, have been looking much more healthy lately. A series of small that the country almost totally depends, have been looking much more healthy lately. A series of small that the township is built over the township is built over the township is built over the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends, have been looking much more healthy lately. A series of small the country almost totally depends have been looking much more healthy lately. A series of small the country almost totally depends have been looking much more healthy lately almost totally depends have been looked into the existing pipe with no intention of joining it. but useful discoveries will soon out useful discoveries will soon reverse the decline in the country's oil production, while the doubling of the official oil price over the past year will, among other things, make viable fields which would otherwise have been only marginal.

In 1977 Oman's oil prospects looked sombre. Oil production by the Shell-managed Petroleum Development (Oman) was dropping, only 10 years after it began, having reached a peak of 386,000 b/d in December, 1975. By 1981, unless an intensive secondary recovery programme were successful, it would be down to about 220,000 b/d.

Plans were being made to exploit two new fields in Dhofar at Marmul and Amal, but the oil there was heavy, viscous and sulphurous, and the government had had to agree a pecial revenue formula with. PD(O), of which it owned 60 per cent, to make it worth its while to develop them.

exploration in Dhofar, discovering a string of small and medium sized fields containing better quality oil: out of 15 holes drilled that year only one was dry and two others were disappointing. The Qahira discovery was of 30 degree API crude and one at Birba 33 degrees. The success rate has been so high that the oil company is now sure of making more discoveries.

different and that in some fields is different and that in some fields no gas has been found—which could mean artificial pumping that only 5 per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping will be receverable, which is per cent of the 2bn barrels of oil found in the Marmul field is different and that in some fields no gas has been found—which could mean artificial pumping that only is assuming that only is assum Then, in 1978, PD(0) had a

Big expansion

Now, PD(0) is engaged in an enormous operation both to find more oil and to bring the southern oilfields onstream. The number of drilling strings operating has gone up from four to seven and the company is now spending about \$1.5m a day, including recurrent spending. Capital expenditure is expected to go up from \$311m in 1979 to \$412m in 1980.

The whole operation has meant a big expansion of PD(0)'s operations which the company has been able to meet without too much strain. The distances involved are enormous, while trucks carrying heavy material take up to a week to reach the new oilfields involved from Muscat. At Marmul a permanent new township has been built in the desert with a high standard of accommodation

string of new fields into the existing pipeline system at Qarn Alam and then to the coast. At one point it was intended to pipe the oil down to the Arabian Sea either near Salalah or further east but the security risks involved as well as technical problems persuaded Sultan Qaboos to pipe all the oil to PD(O)'s terminal at Mina al Fahal near Muscat. Cable and Wireless is building a solar powered telecommunications system for the pipeline.

Some of the new fields are Some of the new fields are expected to be on stream by the end of this year, bringing Oman's output back to about 350,000 b/d. Last year it averaged about 297,000 b/d, compared to 314,300 b/d in 1978. PD(O) expects to hold production at or slightly above 350,000 b/d at least until 1984. b/d at least until 1984.

But PD(0) is taking a characteristically cautious view of the prospects for output from the southern fields, pointing out that the geological structure is complex, that each field is different and that in some fields

and to maintain output for longer, though the size of the fields and the geological structure of the country virtually ensure that Omai will never be a producer on the scale

of Saudi Arabia. Part of the oil company's large spending is going on the secondary recovery programme to sustain output from the northern oilfields. Some \$100m is being spent on the Lekhwair fold along field alone.

In some of the fleids output will remain static and in others the decline will be slowed down so that PD(0) now expects to be producing some 227,000 b/d from the northern oilfields in 1984 against earlier gloomy forecasts that output would be below 200,000 b/d by then. By then, the southern fields will be producing about 140,000 b/d.

In due course, PD(0) should cease to be the only producing and catering. The township was oil company in Oman when built by Wimpey and designed small find by Elf-Aquitai by Turner Wright and partners Sumitomo and Wintershall from the UK. As more drilling Sahmah in the south west oil company in Oman when a small find by Elf-Aquitaine Sumitomo and Wintershall at

Just as the increase in the oil price this year has made PD(0) drill structures where it would previously not have bothered, so other oil companies have maintained or even stepped up their interest.

Gulf has taken over as operator on the find of gas which was made by Quintana at Sinaina, near Buraimi, in 1978. Though a confirmatory well proved dry, thus limiting the size of the discovery, Oman still hopes it may sell 125,000 cubic hopes it may sell 125,000 cubic feet per day to Dubai for use in its aluminium smelter. This would involve running a pipeline across the UAE border. But Dubai is now pinning some hopes on discovering gas in the deep Khuff zone offshore and so becoming self-sufficient. For the moment, the Sinaina wells are sealed, awaiting developments.

Breached ceiling

A consortium of Elf, Gulf and tanate later this month to finalise arrangements for the has so far discovered only gas condensate in an offshore concession off the Masandam peninsula. BP is the operator in the rest of Dhofar on behalf of a consortium including Deminex, Agip and Hispanoil.

Let was as Mr Ahmad operation in May 1973 and gas

not a member of OPEC, and

During 1979 it steadily raise the price of its 34 degrees API crude from the \$14 per barrel imposed from January 1 to \$22 from July 1. Then, in late October, when other oil produc-ing countries raised their price by 10 per cent, Oman went up to \$24.20, breaching the ceiling agreed by OPEC at Geneva, in June. The price announced at the end of the year—and backdated to December 1—was \$28.20, a somewhat more modest increase than had been expected.

But, at the same time, the Ministry of Petroleum let it be known that it intended revising its oil sales arrangements and selling its own equity cride—some 167,000 b/d—ti . the highest bidder on a mentally basis, and "nothing mader \$11 a barrel" would be considered. In the event, the four lifters of Omani crude, of which the biggest is Shell, had their con-tracts extended for another month and were due to send a negotiating team out to the Sul-tanate later this month to finalise arrangements for the year's supplies. It was not clear whether the auction idea had been dropped or merely past noned.

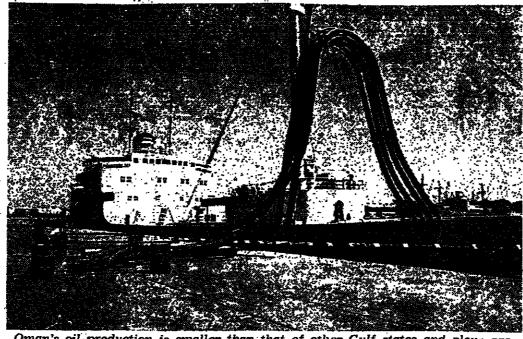
Last year saw Mr. Ahmad operation in May 1978 and gas Shanfari, the Minister of Petronow powers the power station leum take an increasingly aggressive role in pricing Ghubra. A spur line is to be Sultanate going above the then OPEC ceiling of \$24 per barrel at the end of October. Though not a member of OPEC and



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In the past nine years, the 39-year-old Sultan of Oman, Sultan Qaboos bin Said, has achieved dramatic changes to bring his country into the 20th century



Oman's oil production is smaller than that of other Gulf states and plans are proposed for developing industry and non-oil assets. Above: a ship refuelling at Port Qaboos, Muscat



With a modern outboard motor fitted to his traditionally-designed boat, an Omani fisherman sets out for an evening catch. Fish resources are abundant along Oman's 1,700 km coastline

Moves to develop non-oil assets

OMAN HAS had a reprieve from the once impending de-cline in its oil production which made its medium-term economic prospects so gloomy in the mid-1970s. The new oilfields in Dhotar, while on a tiny scale by comparison with most of those in other Gulf states, will boost production at least for a time. Recent price rises have made Oman's oil reserves far more valuable, and, according to Mr. Qais Zawawi, Minister of State for Foreign Affairs, given the government the idea of reducing daily output to make them last longer.

Yet, while Oman will cerbe producing oil at the end of the century, the geological structure of the country suggests that it will never find reserves on the scale of Saudi Arabia or Abu Dhabi. Oman faced up to the prospect of a decline in oil revenue when it drew up the 1976-80 develop-ment plan which envisaged building up production by the non-oil sector of the economy.

The plan proposed developing such non-oil assets as Oman has: agriculture, on which the economy of the interior and the Batina coast was formerly based; fishing, in waters known to be rich in marine life; industry, to meet local demand;

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in the north west. Oman degree in Oman; but one of the appears to be better endowed for diversification than the small sandy states of the Gulf.

Diversification in an oil state

is dauntingly difficult. Such states do not have economic assets which could produce revenue on the scale of what they have earned from oil; the coming of oil wealth has usually altered beyond recovery the social and economic structure of the country, so that there is no going back to the former way of life based on old sources of income; urban populations swell; manual work is considered undignified; and welfare systems make people pensioners of the State, destroy their self reliance and break down existing co-operative systems of self help.

Labour force

The development of new économic fields, such industry, is usually thwarted by the fact that the indigenous labour force is too inexperienced, too small or too idle to staff the new enterprises, while the domestic market is too small to sustain them, and export markets cannot be served economically because of high production costs.

main reasons why, by 1980, the last year of the five-year plan, relatively few projects in it bave yet got underway is the lack of impetus provided by the government itself, reflected in the spending figures on development. There are two other important hindrances to development in Oman; the shortage of manpower and uncertainty

about reserves of water. Other articles in this survey look at how much has been achieved and what remains to be done in different sectors of the economy. The problems of re-instating agriculture as a major income-earner and import-saver are due in large part to the migration of manpower to the cities and to the United Arab Emirates; fishing has not yet lived up to its potential,

even though, as in agriculture, Omanis are quick to adopt new techniques if they think them worthwhile; emigration plays an important part here too. Industry and mining have so

far had chequered histories. Though a few projects, such as the flour mill, were begun about the middle of the decade, a great weakness of that period was the Government's failure to push ahead with projects for making raw materials for the

BASIC STATISTICS

Area (sq. miles) 82,000		
Population	840,000	
GNP	RO 727.9m	
Per caput	RO 898.64	

RO 327.2m Imports Exports BO 522.3m Imports from UK £125.7m Exports to UK £41.9m Currency

Omani rial; £1=RO 0.783

some of the needs of the construction boom both in Oman and its neighbours, such as

As it is, Oman's cement plant, which could have been producing by 1976, is not due to start production until 1982 and though half the output will be taken by Kuwait it is not clear whether local consumption will account for the remainder since the building up of social ser-Oman—and the rest of the vices, others are less effectively Lower Gulf-has already passed led and their ministers and civil through a construction boom of servants lack the drive to push a kind that only occurs once in through projects against bureaua generation. The same applies cratic obstruction in an to the smaller industrial pro- atmosphere that requires having jects in the construction materials field and makes quesand mining, starting with the All these problems can be construction industry, including materials field and makes quesdevelopment of copper reserves found to a greater or lesser cement, which would have met tionable the concept of a steel.

re-rolling mill now being studied. Nor is it certain that Omanis would wish to work in these plants, in which case they would be providing employment to foreigners.

considerations probably apply to the copper project, which officials in Oman do not expect to be lucrative and which is being embarked on because it is unquestionably diversification, because it will develop north-western Oman and because cheap finance is available. The oil refinery, now to be built, makes sense for security reasons,

Several themes emerge from these experiences. The first is the manpower shortage, caused by the great wealth that has been created in the capital area of Oman and the even greater wealth of the UAE, across the border. Its effects are detailed in individual articles.

Secondly, while some ministries have reasonably dynamic direction and have scored some solid achievements, especially in the ear of the Sultan at the right moment.

The Sultan, as Prime Minister.

being may not always be firm enough as have been found—mainly in for catching flood water at the tain that in breaking the logiams that the course of drilling for oil—bases of the mountains before it detain projects and reconciling are usually saline and hot and flows into the sea and for ease they competing ministries. Frequent far from where water is needed. ministerial reshuffles often result in officials moving with their ministers and in the process reports and feasibility studies often get lost.

Relationships

A third theme is the uneasy relationship which often exists between Omanis and their expatriate advisers, European, Arab or from the Indian subcontinent. Omanis accept that they need expatriate assistance in running the economy, but they can easily be offended by what they see as the busy-body attitude of many expatriates who imply that they know best what the country needs. This problem stems from fundamentally different attitudes from development between Omanis and their advisers. The story of development in Oman has often been bedevilled by poor relations between different groups of expatriates.

The most important resource Oman has is water. Though it appears to be more abundant in Oman than it is in most other Arabian states, it is still in relatively short supply since rainfall is low and irregular water. and such reserves of fossil water

far from where water is needed. Yet, without a full hydrological survey of the country having been completed—though several have been started—water con-sumption has risen enormously in the past ten years.

The falaj system of convey-ing groundwater at the foot of mountains to village irrigation systems has, in places, decayed or been undermined by drilling wells; while the wells drilled for agriculture, gardens and swimming pools on the Batina coast have encouraged the incursion of salinity from the sea.

organisations are effectively competing for water supplies without co-operating: one con-sultant identified ten different agencies within eight ministries with responsibility for water development, conservation and

In Dhofar, competitive drilling for water to meet the needs farming and the population Salalah have been selfdefeating for both parties. Overirrigation, especially on experimental farms, is considered to be a common fault, while the Ministry of Defence is a bigand indiscriminate — user of

A scheme has been drawn up

falai system by making it less leaky, but so far nothing has gone ahead. In part, this is because ministries lack funds for projects which are not being accorded high enough national priority; in part, there is reluctance to do anything to the falaj which may further upset the already shaky social structure of village life.

But drilling wells on the Batina coast has now been banned and a committee on water resources, under the chairmanship of Sultan Qaboos, is to be Several different government set up to co-ordinate policy on rganisations are effectively water. With sufficient power and forcefulness it could prove effective.

The increased oil revenues that Oman is now receiving also remove the financial constraints on proceeding with the hadlyneeded diversification of the economy. It may be that the institutions of government. which have grown fast in the past decade, need further rationalisation to make this policy work. If diversification falters, the end of the oil era could leave Oman poorer than it was before it began.

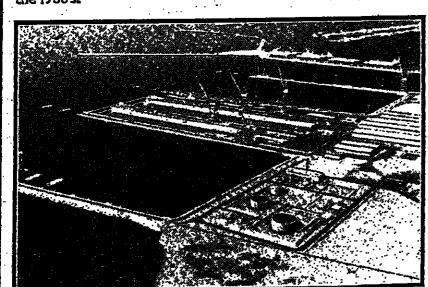
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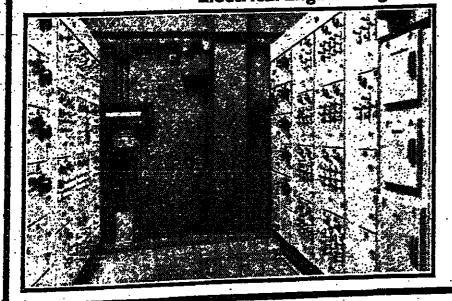
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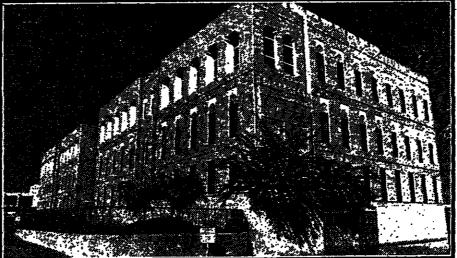
country and look forward to continuing teamwork ventures during the 1980's.



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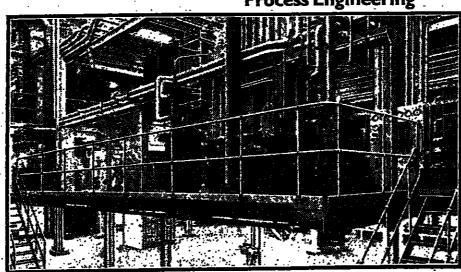
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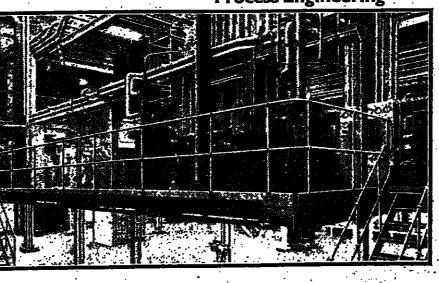




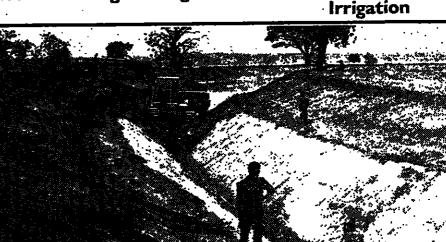
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Industrial plans offer scope for the West

Saudi Arabia or Abu Dhabi. Yet Oman is planning to embark on a selected range of industrial projects in the 1980s which offer business potential to Western contractors and suppliers. The most interesting are the copper extraction and smelt-ing plant at Sohar in the northwest, the first in Arabia, and the 50,000-barrels-a-day refinery to be built near the Mina al Fahal oil export terminal to serve domestic needs for petrol. These, together with the con-tinuing oil field development programme being undertaken by Petroleum Development Oman (PDO), offer the best opportuni-

ties to exporters.

The Oman Mining Company was set up in January, 1978, and has interests held by the Government (75 per cent), Marshall Oman Exploration of Houston (22.5 per cent), and Prospection Oman (2.5 per cent), although the two foreign interests are not actively involved in the project other than as equity participents. Opening up of the mines them-selves started in June, 1979.

Presence

The main reserves are at Baida, Arja and Laisail where drilling has indicated the presence of about 12m tonnes of ore. Saudi Arabia has underof ore. Saudi Aradia has under-written about \$100m of the cost of the project, which was originally put at about \$124m, as part of a programme of bilateral assistance to the Sul-tanate. But no contractor has yet been appointed to build the smelter, which will be powered by gas from a spur of the gas pipeline from the main oilfields. and it will be some years before the scheme is in operation.

The company aims to refine to

98 per cent concentrate and is prepared to make an initial loss. The Government accepts that Oman will never become an

The contract for evaluating the geological and mining aspects went to the UK's Golder Moffitt and Associates, the successor to RTZ Consultants, a subsidiary of Rio Tinto Zinc. Other design contracts went to Cansult of Canada for housing, Kilborn Engineering of Canada for the concentrating and smelting facilities and Monenco Overseas of the UK for power, transmission and desalination plant. Monenco is currently tendering for power

If the decision to go ahead with copper had its roots in the idea of developing the north west, the rationale behind the refinery was more prosaic. The Sultanate is acutely aware of its dependence on refined pro-ducts, imported mainly from Singapore. A design contract for a domestic refinery was awarded to Shell International Petroleum of the Netherlands in October

A gas pipeline from the northern officeds to the capital area built with aid from Arab funds has been open since mid-1978 and is supplying fuel for the power and desalination station at Ghubrah on the out-skirts of the capital. It has released the equivalent of 1.000-2.000 barrels a day of crude oil for export which was previously

The Sultanate is unlikely. however, to embark on gas production for export since whatever reserves exist will be needed for oilfield support and for domestic industry. The only remote possibility is of a significant gas find in the Buralmi area near the UAE frontier where reserves of gas have been found. The cost of developing until the late 1980s.

The Sultanate is looking at outside the oil sector. the feasibility of an iron and Arabian Zambia" as a copper steel complex based on direct ment in support for industry

bars, rods, angles and sections.
The difficulties being experienced in Qatar, where in 1981 the Qatar Steel Company (Qasco) is expected to make profits of only \$23m from a profits of only \$23m from a \$250m may gross income of \$250m, may deter the Sultanate from embarking on an iron and steel industry. There would in any case be difficulties with manpower in a country where the local labour force is small and usually finds it more profitable to work in the private sector rather than for public sector

Tenders

Among the more conventional industrial projects is the Oman Cement Company's proposed cement works at Rusayl, near Seeb, for which the Belgian consultant Basse Sambre hopes to call tenders for machinery supply and structural and basic civil works in 1980. This project, the successor to several others with a tangled history, will be the first cement plant in the Sultanate and is expected to start production in 1982. cutting the dependence on imported cement. The Kuwait Cement Company, which holds 40 per cent of the equity, will manage the plant and take half the output of 1m tons a year.

The Sultanate's small-scale industry includes an asbestos cement factory, flour mill, dairy plant, soft drinks factory, dates factory, poultry production. printing construction materials and metal fabrication. Industrial concerns are thought to represent about 16 per cent of all registered companies which is small by any standards them may inhibit exploitation and suggests that the economy is still very much trade-oriented

The Government's involve

OMAN'S INDUSTRIAL ambitions remain modest despite the Sultanate's new oil discoveries. The revenues generated by the new oil finds in Dhofar are unlikely to produce a commitment to industry on the scale of Saudi Arabia or Ahn Dhahi.

The revenues generated by the scale of Saudi Arabia or Ahn Dhahi.

The revenues generated by the capital It will also open up the unlikely to produce a commitment to industry, roads and a port for Saudi Arabia or Ahn Dhahi.

The capital it sees the scheme reduction using an electric are includes the establishment of furnace. Studies are being the Oman Development Bank done by Dastur. Engineering which began operating in International of West Germany March, 1979, to offer medium-industry. The Government has north-west of Oman with an of Calcutta. It is for an initial the produce about the people of the area. industries such as the ashestos cement pipes factory at the Rusall industrial zone, for which import tariffs have been im-

posed on imported pipes. Where the Sutanate lass he bind neighbouring countries is in light industry. The capital area where most of the population is concentrated has nothing like the undergrowth of industrial concerns to be found in Sharjab in the UAE. Indeed many Sharjah-based engineering services companies are picking up maintenance contracts for heavy plant in Oman be-cause no local servicing indus-

try exists.

The lack of a servicing industry for heavy machinery is one of the major obstacles towards tries in the Sultanate, which has more cultivatable land than its Gulf neighbours.

The attitude of Omani busi-nessmen, many of whom prefer to be rentiers rather than manufacturers, is another deterrent to investment in industry. Foreign investment has been attracted to only 2.4 per cent of the industrial concerns being undertaken in the Sultanate, according to a survey by the Central Bank of Oman.

It is hard to see how an iron and steel industry for which the neighbouring state of Dubar has been unable to attract foreign partners would succeed in the Sultanate where the political risk is higher because of Oman's heavy defence commit-

The lack of interest on the part of foreign investors, coupled with the net outflow of private funds, dictate that the industrial future rests with the small number of industries which the Government feels able to support from oil revenue.

John Whelan Deputy Editor.
Middle East Economic Digest

The children chat to you in English

well be measured in the English spoken by children in many

They gather quickly, quietly and smilingly around the visitor the boys in their long white robes, the girls in their brilliantly coloured Omani dresses, silver jewellery dangling from their ears and hair, often carrying a baby brother or sister.

How are you?" says one child. "My mother asks you to come to our house for tea . . . will you stay long?

More startling are the con-

versations about Christmas and the birth of Jesus, followed by the merits of Pepsi-Cola. But they talk, they make themselves understood and want to be understood.

Ten years ago there were only three schools with 900 pupils which had exposed a few thousand privileged children to formal education over the years. Today, one new school is opened, on average, every ten days. Over 86,000 students regularly attend clases in, to date, 355 schools.

On Sultan Qaboos's accession to power in 1970, one of the first four ministries he created was education. Instant educa-tion was, and is, the need. But struction of sufficient school buildings with modern facilities will take years. In a muchquoted speech, made in the early days of his rule, Sultan Qaboos said: "Teach them under the shadow of the trees." Today, many schools are still intents but the Covernment tents, but the Government has a programme for replacing temporary accommodation proper school buildings.

Villages

Oman covers about 300,000 square kilometres but the population, estimated at between 650,000 and 850,000, is concentrated mainly in the capital area around Muscat and the Batinah coastal plain. Tucked into the arid mountains of the interior are thousands of small villages, with settled farming. It is to these outposts that education still needs to be brought.

Oman's 5,900 teachers have been recruited from all over the Arab world, from Europe and America. There are Omani teachers who, having exiled themselves in the past in order to obtain an education, returned standing still, but they are without learning to reason," she to Oman when Qaboos took moving. The Omani said earnestly. "We must have power. But a large percentage explanation is that they are reason, not rote."

THE SUCCESS of the Sultan of of the teachers are from Egypt.

Oman's policy of bringing The teaching methods which education to the people could the Egyptians use are essentially learning by rote and memory. These methods may be traced to the old Koranic schools, where the Imams taught children to memorise passages from the Koran. Books, paper and pen were unavail-able in the remote deserts and mountains of the Arab world, but the "book of books is written in the heart of its followers." Most modern Arab schools still demand memorization and recitation on a scale which horrify Western educa-

Dismayed

Dissatisfied with the Arab memorisation method and equally dismayed by the poverty of spiritual values and lack of discipline in modern Western education, Oman decided to start its own education revolution. Two years ago, the Sultanate plunged into a pro-gramme which they call the Omanisation of Education." It has involved new methods, new attitudes and new books.

To define its principles and aims, the Ministry of Educa-tion published a "Philosophy of Education." It is a haunting mixture of idealism and Victorians which might be viewed with nostelgie by some Western educators. "Faith, knowledge and work are the main pillars of social progress," states the philosophy. Much is also said about educating the whole child, and about respect for work and patrictism. Linguistic skills have been

made a priority. They are, says the Ministry, fundamental for communication. Thus, Omani education is founded on teach ing the basic means of communicomprehension and expression. schools from the age of 10. Added to this, the Omani child almost as a foreign language, because written classical Arebic is vastly different from every-

teacher and student are order to receive her own required to relate spiritual to education. This has made her physical facts. For example, a passionate advocate of the new the Prophet Mohammed said educational opportunities in her that "you think mountains are country. "We cannot develop

day colloquial Arabic.



Omani children study English from the age of 10

moving because they are composed of constantly moving particles of energy. Does the new system work? The teachers must allow for many more questions and answers. They have had to undertake a considerable amount of re-educating, reason-ing and re-examination of considerable

themselves.

"It is much more difficult for us," said an Egyptian teacher in Muscat. "And more difficult for the students, too." One young girl in Zahra Girls' School, Muscat, said that her sister, who was two years younger, had new books comparable to her own old ones. The new books use Omani names and local expressions.

Previously the children used books published in Qatar with colloquial Qatari expressions un-known to the Oman child. As for the education of women, the philsophy states categorically that special atten-

tion must be given to women to enable her to take her proper place in the community, to promote her self-respect and enable her to play her natural role in building a modern social life." The education of women

occurs more aptly in Oman than elsewhere in Arabia for the face-mask and black veil have seldom been worn in Oman, except in remote desert districts. Women have historically held a firm, matriarchal role. Therefore, their new schooling and participation in modern life has cating, i.e., lenguage with its not had to plough through the constituents of reading, writing, traumas suffered in some other omprehension and expression. Arab states. There are already English is studied in many Omani women teachers, hurses, air stewardesses and even an Omani woman pilot. ambitions are realised Oman the Buraimi Oasis. There they will have women lawyers, joined the local community has to learn his own Arabic ambitions are realised Oman many years pass.

The ministries, too, are open-The application of the ing their doors to women. A philosophy in other areas of director at the Ministry of education is interesting to Education, Mrs. Rahila al watch. Islamic to the core, the Riyami, had to travel abroad in

Asked about the education of women she said simply, "Thank God the Government wants us to learn." There are now 79 schools for girls in Oman and, in addition, 134 schools are coeducational.

Students who go on to higher education and acquire special skills should become a bank of talent on which the State can draw in the future. Today, 700 students study overseas—a highly creditable figure when it is realised that many who are in universities and techni-cal colleges abroad began their education at the age of nine or ten. It is not considered worthwhile having a university in

Scholarships

More scholarships are being made available for higher edu-cation. These scholarships are carefully planned as an economic investment. If a ministry says that it will need engineers later in the 1980s, then special awards are made for students who want to take engineering degrees. They are guaranteed a job in Oman on completion of their studies.

Have the undergraduates been the human and economic investment which Oman needs? A large percentage of those who returned last summer for holidays joined a camp in Sohar. For three weeks they voluntarily built roads to isolated villages, cleared irrigation canals and made

themselves generally useful. An example of enterprising students who have remained at home and have not yet been able to expand their knowledge abroad comes from Al Mahda in doctors and engineers before council to lay water pipes to every house in the village, laid out a football pitch, named the streets, provided every householder with a lautern to hang outside his house at night, in-stalled lanterns along the main roads, built a new mosque, shifted 65 lorry-loads of rubbish and dirt. The village is now recognised as a municipality which will bring it considerable

Pafricia Holton

Complex problems in agricultural sector

in relative sectoral importance:
in 1967 agriculture and
fisheries together contributed
about 34 per cent of the GDP

and averaging intile more man not supplied in width.

To the interior of the Hajar demand.

To the interior of the Hajar demand.

In the supplied in the fisheries together contributed about 34 per cent of the GDP while today agriculture represents a mere 2 per cent. Before the oil era, dried limes, dates and small quantities of hides and fruit were the only signiand fruit were the only significant exports; today agricultural products constitute less than 2 per cent of all exports water supports a discontinuous carries of agriculturally-based and of these the traditional com- series of agriculturally-based

tural commodities, almost Hadd.

tural commodities, almost Hadd.

The Hajar highlands themto a point at which Oman's selves, deeply dissected and dependence on food imports is divided, can support, at low that the import share of the ists and a few, small, isolated staple articles of consumption mountain-terrace villages. Alis 100 per cent in the case of rice, 90 per cent of wheat and lie the small embayment of 40 per cent of vegetables and meat; this in a country which, albeit at a low level of consumption, was all but self sonal flushes of tail grass to the

More imports

These vast reversals are of course the consequences, direct throughout has to be on water and indirect, of the growth of availability and it is the absence of adequate water which nated by oil production and oil restricts expansion of the cultivwealth. In absolute terms it able area to an estimated total would appear, from the last of about 40,000 hectares and, survey estimates available, that moreover, makes it almost aggregate agricultural production during the last ten years farming anything other than has not declined and in some relatively small and noninstances has increased. In contiguous patches of land. Di relative terms, however, the polyrelevant part of the fivefold surveys carried out in the midhuripcrease in private consump-

The quie scale of the problem thus control and was recognised in further exploitation will not omaten of first Five-Year Plan, for only be extremely difficult and mage sio, in which almost 26m very costly but also that in some bution allocated to government key areas over-exploitation is means were contained agriculture. In already taking place, with a south-east Batinah the lines of marom a planned attempt major aquifers in the Seeb area tream is down migration to the were in great danger of deple-cated all region by diffusing noncounticultural development expention plant relieved some of the

However, Oman, along with many developing countries, is finding that neither the transface been pushed back inland formation of agriculture nor on the Batinah by the increased

certainly possessing significant as many years. lems in the efficient exploitation usually due to neglect rather fetch 40 RO-70 RO.

modities of dried limes and dates make up about 80 per cent and 10 per cent respectively of the total non-oil export

Series of agriculturary based on settlements extending along the interior mountain flanks, from Buraimi in the north through the series of the total non-oil export

Dri, and Nizwa south to Ibra, and Nizwa south Ibra, and Nizwa south Ibra, and Nizwa south Ibra, and Nizwa south I foup.

fo

most 600 km to the south-west Salalah and the surrounding Dhofari mountains. Here, weak summer monsoons bring seasupporting in food a generation Jabal, enabling limited cattleherding, and some groundwater flow to the coastal plain and sea-edge cultivation.

resource emphasis impossible to bring newly into

1970s and studies by the Departon expenditure during the ment of Water Resources have Eatile 70s was met in the main by shown that, nationally, about in in in aports and not by any significances two-thirds of Oman's resources on at response in domestic are currently utilised—a high proportion in world terms. What is particularly significant is that

pressure created by the greatly. Batinah for sale in Abu Dhabi. accelerating growth of demand In general rural livesteet. Water quality has declined and the seawater/freshwater interthe neutralisation of the attraction of off-farm life is easy. In the first place, Oman while a factor increase of about 20 in

potential for agriculture, is In the interior, well-land and desert pastoralists, faced with considerable tech-document falaj failure and Fresh meat is desired but nical and environmental prob-settlement abandonment is more expensive — a 30 kg goat will

AGRICULTURE IN Oman today is a strange amalgam of change and changelessness, of opportunities and of constraints. Here we can only identify the most critical facets of a highly complex and dynamic situation. At the national economic level agriculture has declined in relative sectoral importance:

of these finite resources.

The Sultanate can be divided into drought, but even here the uncontrolled introduction of pumpsets to deep wells in fologiant areas can injure critical balances between supply and demand. A recent survey sugcostation of these finite resources.

The Sultanate can be divided introduction of pumpsets to deep wells in fologiant areas can injure critical balances between supply and demand. A recent survey sugcostation in unitarial able groundwater resources cannot support the planned expansion in urban and agricultural sion in urban and agricultural

> In these conditions, all agriculture other than that of low-density browsing of animals is totally dependent on irrigation. This in turn requires skilful land and water management associated either with capital-intensive high technology or with labour-intensive traditional estimates and the second of the seco traditional methods - and the choice is neither open nor

> Soil quality, while never high, even in the farmed areas, as the result of low organic and nitrogen content, very high free-carbonate content and relatively high content of soluble saits, is less of a prohibitively limiting factor.

The answer must lie in in-creasing the efficiency of the agricultural use of the quantitatively and spatially limited— vital resources of water and soil. Present land use still contains many elements surviving of the not-long defunct tradition of subsistence farming. Date palms still occupy more than a third of the cultivated area although now of low commercial profita-bility. Replaced as a staple food by imported rice and wheat, demanding a high water duty and periodically much manual care, and with low average yields, they cannot compete in the specialised high-price, high quality markets with the products of Egypt and Iraq.

Valuable crop

The most valuable commercial crop is of sweet limes, which take up about 10 per cent of farmland. Dried over a period up to two years and demanded for their strong flavour, they find limited and less than stable markets in Iraq, Iran and the Arabian Gulf countries, Even less than with date palms, limes are not grown in specialised orchards or gardens but are produced in small quantities by

Alfalfa is the common fodder crop grown by almost every farmer, to supplement the food intake by browsing of his few head of goats and sheep and for sales to landless villagers—and for the post-oil modernised state, and sheep and for the production base sheep and for sheep and for the production base sheep and for sheep and sheep increasingly from the

ture of non-commercial nonspecialisation. Of the estimated 200,000 head of goats and 70,000 sheep about half of the former and two-thirds of the latter are owned in twos and threes by villagers, the remainder being the stock in trade of the high-

taneously at local level and as the result of Government action. actual and potential response by farmers to market opportunities and advice. The difficulty lies in the ambivalent effect on the agricultural sector of new-found oil wealth in Omen and in the neighbouring states.

Governmental activity in agriculture can be considered under two broad heads. first is concerned with technical and advisory improvement in existing farming. The Ministry of Agriculture and Fisheries has a major reserach facility at Rumeis (Batinah) linked to sub-

centres in the interior.

A total of 43 government farms and extension centres are responsible for disseminating information, conducting trials and offering a variety of services such as subsidised tractor tillage and cheap fertilisers, seeds and equipment on credit. In addi-tion, agricultural schools are being established, the first at Nizwa, as well as a programme

for agricultural co-operatives. At a different level there has been considerable investment in agro-industries and joint ventures involving the private sector. Notable among the former are the date-packing factories at Nizwa and Rostag. the first of which has remained in operation, though below capacity, and among the latter, the cattle production unit established at Sohar by F.M.C. California and still surviving after a series of vicissitudes, and, most recently, Sun Farms in Dhofar involving Agriconsult of Switzerland,

Why then, given grass-roots and official initiative, has the agricultural sector not apparently fulfilled the hopes of the planners? The single-word answer is manpower. At farm level one must accept that the drive for survival during earlier harsher periods has vanished The opportunities for lucrative and attractive non-agricultural employment in Oman have grown steadily year by year while the United Arab Emirates have maintained for more than a decade the Dick Whittington syndrome.

Given the present numerical population, and the fact that by the year 2000 more than half a million rural Omanis will have to provide the production base more emphasis will have to be paid to assisting existing farmers

for water by the capital region. farming presents a similar pic- in a generation will once again depend on the socio-economic stability of the country areas, The challenge lies in the need to obtain a rural response that is increasingly sophisticated and self-sustaining.

> Howard Bowen-Jones Howard Bowen - Jones is

Professor of Geography at the University of Durhum.

Abundant fish resources

the Sultanate of Oman have been fishermen for several millennia. Fish resources are very abundant in Oman in Oman have been attempting, since 1970, to family concern and is viewed by the fisher and multiplies of the sultanate of Oman have been injected into the home fishery, the migration country, the Government has been attempting, since 1970, to family concern and is viewed by the fisher of the fisher o very abundant in Omani waters, and until the 1960s exports of dried and salt fish exports of dried and san how arrivey of Omain waters, car-and fish products to the Indian survey of Omain waters, car-sub-continent and East Africa ried out by an American con-sub-continently large for sortium between 1972 and 1975, what was then an undeveloped, the Government acquired a

The traditional fish exports have, however, virtually disappeared since 1970, and the country is now hardly more than self-sufficient in fish, despite the fact that one of the signed an agreement with a world's richest fish resources

tial of providing a major con-tribution to both the economic and social development of Oman after oil revenues begin to

Production figures

Although official Government estimates place it much higher, Oman's annual production of fish is probably no more than 40,000 tonnes. A large part of this is made up of sardines and anchovies, though the quantities available of these pelagic shoating fish are notoriously variable from year to year which makes from year to year, which makes their national exploitation diffi-

When dried, sardines have been important in Oman for many centuries as a fodder supplement for animals, for supplement especially in the southern province of Dhofar. Larger pelagic fish are also

caught in quantities, including kingfish and tunas which are particularly well-liked locally. Sharks, once the basis of a major export trade in fins with the Far East via India, are still important as a food commodity especially in sun-cured form among the peoples of the inferior, being nutriplous, resilent and portable, though they are

fisheries research vessei and three trawlers, and built re-

Mutrah to cope with the catch from these. 1975, - the Government world's richest fish resources granting sole concessionary lies off the south-east coasts.

Nevertheless, if properly managed, fishing has the potential shelf off the continental shelf of the continental shelf off the continental shelf of t years the Japanese had pulled out and were replaced by a

Korean concern. In both cases, a proportion of the catch was delivered to Oman. Neither agreement, however, has produced more than a few thousand tonnes of fish per year, much less than was origi-

nally hoped.

Early in 1979, responsibility for the concession agreements, the Government trawlers and the concession agreements are concession agreements. the associated land facilities was transferred to the newly formed National Fisheries Corporation on the recommendation of FAO. Indications are that the same difficulties of technical and organisational servicing are still hampering production, and the corporation remains heavily subsidised by Government

Rather than these industrial ventures, it is the local small-scale "traditional" fishermen who are responsible for the vast bulk of the national fish catch. Detailed national statistics are else, increasingly, in land lobs lacking, but the number of unconnected with fishing. This lacking, but the number of lacking, but the lithing and lacking, but the lacking with the lacking standing and lacking back into the pear fishing days

equipment including beach to have increased in volume in seines, fixed nets, submersible recent years.

been attempting, since 1970, to family concern and is viewed by Omani fishing manpower. The stimulation decline in fish production since Following a marine resource rather than a commercial busi-survey of Omam waters, carness. Nevertheless, the fishermen have proved themselves in recent years to be far from traditionalist in attitude or pre-

three trawlers, and built at to be frigerated storage facilities at to be needs. appropriate for their Until the early 1960s, social and political constraints prevented much rural development of any kind in the country, and it was not until 1970 that development was positively

Old methods .

Traditional fishing equipment had changed hardly at all for centures. Nets, for example, were still laboriously handknitted from cotton yarn, and motorisation of craft was unknown. When the introduction of innovations became possible, the transformation of fishing equipment took place remark-ably rapidly and wholly by the fishermen's own initiative. By 1975, more than 80 per

cent of the wooden fishing craft had been motorised and longer lasting ready-made nylon nett-ing had everywhere ousted the old cotton nets. The source of the inspiration for this indigenous development and of the capital to fund it has been largely from the oil states of the Gulf. A large part of the adult workforce—possibly as much as one-third—spends

much of the year as pendular migrants in Bahrain and other Gulf states, either fishing or placed at present at around is of long standing, extending 6,000, including adolescents.

They work with a variety of the Gulf, but it would seem

INHABITANTS along the 1,700. disliked by the coastal populatraps, and lines, depending on Even though it has benefited km coastline of what is now tions for religious reasons. local conditions. Boats are Oman in that new ideas and the Sultanate of Oman have Realising the potential imgenerally small, holding typic capital have been injected into

Since the mid-1970s, the Omani Government through its Directorate-General of Fisheries judiced against improved has attempted to encourage technology, provided it is seen fishermen to catch more by remaining in their home settlements. As inducements, the Government has distributed thousand than aluminium craft and motors on a grant-loan basis. Despite this, fishermen continue to migrate since their reasons for doing so are not due to lack of such equipment. Rather, they are the difficulties of repairing their motors in their home settlements; and the attraction of higher returns from fishing and other work in the Gulf

> The Government has plans to improve the repairing service to the fishermen which, when they materialise, will help the situ-ation. The more basic problem is however one of returns.
>
> At present, Omani fishermen

> are discouraged from catching more fish than they can sell at an acceptable price, and will continue to see their best opportunities as lying outside Oman as long as the local marketing system is unable to absorb greater quantities. The main constraint on the local fishery is, thus, in handling and marketing rather than in fish catching.

Despite their difficulties, however, it will be the local smallscale fishermen rather than industrial ventures which catch the larger part of Omani fish for

Dr. Bill Donaldson The writer is a member of the University of Durham's



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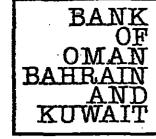
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Big emphasis on efficiency in defence and security

OMAN ALMOST certainly has the most efficient armed forces in the Arabian peninsula. Criticisms of the forces in the other oil-rich states of the area—that prefer accumulating masses of expensive, over-sophisticated equipment to building up a well-trained and

disciplined force—have so far been hard to apply to Oman. The key to the efficiency of the forces is Oman's employment of the core of British and other expatriate officers and NCOs, some of them on direct secondment from the British forces, the larger part on contract, who still command the three arms of the forces and provide technical support and training.

The forces of virtually all developing countries require ex-patriate assistance; in Oman, the need is particularly great, partly because the formation of a modern army only began, in a small way, in the 1950s; partly because the forces had to fight a guerrilla war assisted from outside in Dhofar province until 1976; and partly because Russian, Cuban and East German officers have such a big training and combat role in Oman's unfriendly neighbour South Yemen.

Where Oman differs from most other Arab countries is that Sultan Qaboos, who went to Sandhurst and served for a time with the British Army of the Rhine, is less concerned with token Omanisation than with finding the best qualified and experienced man for the job, be he British or Omani.

"We do not believe in taking picture, a man out of military academy South and making him a brigadier." says Colonel Salem Gazali, Under Secretary for Defence. "If there is no Omani qualified and experienced to do the job it will be filled by a foreigner.

Sultan's desire

The attitude stems partly from the Sultan's desire that things should be done properly and partly, perhaps, from lingering doubts about the Omani tribes, to subdue whom the modern armed forces were built up under Sultan Said.

But Omanisation is inevitably a long process while the role of the British is easy for outsiders and Omanis to criticise, as the Government acknowledges. But Sultan Qaboos told the Financial Times his main fear was that the British would leave before they had trained enough people to take over from them.

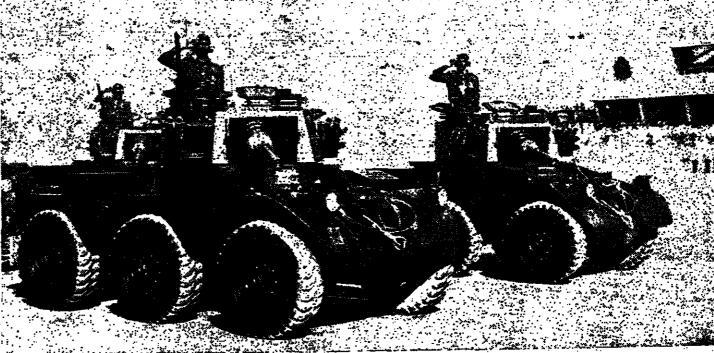
The three avowed aims of the armed forces, which are divided into three—the Sultan of Oman's Land Forces, Navy and Air Force—are to deal with internal security, perform counterinsurgency tasks and to deter an external enemy. The development of the forces over the past two and a half decades concentrated primarily on the first two objectives, since their main task was the pacification of the interior in the 1950s with the Jebel Akhdar war, and the second the defeat of the 12-year insurgency in Dhofar.

In certain respects, the ending of the Dhofar war appeared to leave Oman with rather more heavily equipped armed forces

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Oman's army is 16,000-strong. Above: a section of the National Day Parade

than seemed necessary for Deace-

But the enormous growth of the firepower of the forces of the Peoples Democratic Republic of Yemen, the build up of the Soviet presence in Britain's former base at Aden, and, most recently, the ending of Iran's active defence role in the region have completely altered the

South Yemen still supports the Popular Front for the Liberation of Oman (PFLO) and does not recognise the Sultanate.

The PFLO probably now has only nuisance value in Dhofar where only a few dozen fighters are still at large, while the main entry route across the border for insurgents is virtually

Muscat is more worried about the possibility of outright invasion by South Yemen, perhaps on the lines of South Yemen's incursion into North Yemen last year under the guise of helping a liberation front. Sultan Qaboos believes that his forces could deal with a South Yemeni invasion on its own, but since South Yemen would be most unlikely to attack without the blessing and physical sup-port of the Soviet Union and its surrogates he thinks the Sultanate would need help tinued training

from outside. South Yemen has considerably strengthened its equipmen in the past two years, with Soviet help, and it now has some 260 tanks while the number of aircraft has more than trebled to more than 100 combat aircraft, some apparently flown by Russians and Cubans. The other main threat is at

the northern end of the country in the Strait of Hormuz, which has become a matter for alarm since Iran ceased to guard it, strengthened by occasional reports of terrorists wishing to block it and by the general nervousness in the region fol-VIII; Oman feels responsible for the strait's protection as part security of the area.

Iran's withdrawal Iran, which at the peak of the

war in Dhofar had about 4,000 in three to four years' time for troops in Oman, withdrew its full Omanisation of army will remaining personnel in the spring of 1979. They were not,

But the air force and the navy as was suggested at the time, replaced by Egyptians. It was the disappearance of a regime that would almost certainly have stepped up its support for made Oman worried. One gap left by Iran's withdrawal — the loss of the use of C 130 Hercules transports-has been filled for the moment by the loan of Saudi and Pakistani aircraft.

The result of all these developments is that Oman feels it must strengthen its forces. The 16,000-strong army (excluding expatriates), is not equipped for an offensive war — it has no tanks but only armoured carsand apparently does not intend to change that. But having agreed last year to buy \$800,000 ment the Sultan wants to buy worth of anti-tank missiles from the U.S. it has asked Britain and

the U.S. to supply 155 mm artil-lery to match South Yemen's. The Air Force, whose main offensive strength is a squadron of Anglo-French Jaguars (one the pace of the policy of Omaniof which was destroyed in training) and a squadron of Hawker loan service personnel, for which Eunters, has asked for another each of the three services has 12 Jaguars, more Sidewinder a different target date. Though air-to-air missiles and more both sides know that gaps left British Rapier/Blindfire surface by departing loan service perto air missiles. The navy which sonnel can be filled with conhas six fast patrol boats, wants tract officers and NCOs acquired three minesweepers to patrol on the market, as it were. the Strait of Hormuz, more Omani officials say they do not patrol boats and some anti-sub- find the contract officers as dismarine helicopters.

Both Britain and the U.S. are loan service personnel. considering Oman's list of One problem is their sensitivity to changes in their last year, well before the relative pay and conditions. The Afghanistan crisis. The initial Consequence Consequence of the new U.S. reaction was that though some of Oman's equipment was mented when it came to power ageing it was not in desperate last May, accompanied by the need of many new items, fall in the dollar, to which the Britain and the U.S. may now Omani Riyal is tied, tipped the regard Oman's requests with balance for a number of contract more urgency, but an important officers, especially in the air

question is who will pay for force, and a fair number re-

the new arms.
With 'its new oil revenue. Oman is far better placed to pay than it was before, but it probably still hopes that Saudi Arabia, which is believed to have paid for its first Jaguar squadron, will foot at least part of the bill, while it has for months been trying to get all the Gulf states to finance its minesweepers.

Distraction

sweeper force, which would completely alter the basis of the navy, the absorption of large quantities of new equipment could be a distraction much less discipline, shorter from the training and Omagica. Yet even without the mincfrom the training and Omanisa- hours and the lack of hardship

and navy. During the Dhofar war, expatriate officers made most of the decisions and handled all the staff work and logistics, so plement the Omanis' battle

Omani officers have been put in the army, though usually non-Omanis are with a British deputy com-British officers. mander to give advice and con-

Baluchis) are now Omanis, and and the British commander of the themselves inevitably army, Major General Johnny educative force in left Oman in early 1978) is to be the last British officer to hold thereafter to assist his Omani

One of the two commanding brigadiers in the army—the commander in Dhofar—is an Omani, and he will soon move lowing the Soviet invasion of to headquarters to help the Afghanistan. The Hormuz general after which both threat is considered on page brigade posts will be taken by UIII: Oman feels responsible Omanis. The number of British loan service personnel in the of its general strategy for the army is now down to 29 from 40 in 1978, but the artillery and other technical services will take longer to Omanise than the infantry. Even so Col. Gazali believes the target date

But the air force and the navy will take considerably longer to Omanise because of the technical knowledge required and the low level of technical and edu-cational skills most Omanis Oman in time of trouble, rather have. Pilots are being trained than the withdrawal itself, that at Masirah, the former RAF staging post, but the programme only began in 1977. There are now some Omani Hunter pilots, but the Jaguar squadron is flown by Britons either on

The navy has had men five-year sea-going training in these was recently due to take command of one of the fast patloan service and 73 British contract officers in the navy and 16 Palestani officers. In both would mean a substantial increase in the number of expatriate personnel in propor-

tion to Omanis. Britain and Oman appear to be agreed on the need for and sation and the withdrawal of the ciplined and as dedicated as the

Conservative Government imple-

signed to go back to the UK, where they had had to leave their wives and families any-The Jaguar squadron went far below strength and highly there was a shortage of aircraft

At lower levels, there is an alarming drain of manpower to the forces of the United Arab fills its Emirates, which yawning manpower gaps with mercenaries of 29 different nationalities, but predominantly with Omanis, who are believed

tion especially in the air force posts, such as Dhofar or and navy.

Masandam. The UAE likes to take trained Omanis because it fieds they make good soldiers.

The Ministry of Defence in Muscat claims that the UAE has the staff work and argumenthe armed forces now concentrate, especially in the army, not to poach men from Oman trate, especially in the army, and not to raise their pay scales. without warning Muscat. fill up its own forces Oman has to recruit from Baluchistan and into more and more senior posts other parts of Pakistan. The non-Omanis are commanded by

> While the armed forces play Omani political threat from the armed

> The International Institute for Strategic Studies classes the

police air wing, with its Buffalo and other transport aircraft and its helicopters, as paramilitary

The police are certainly ighly efficient and contribute greatly to the orderliness which is so obvious in Oman; but there are only about 4,000 of them and their equipment is arguably no less than is needed by a colonial-type force to operate in a big, wild country, where illegal immigrants and subversives are considered a constant danger.

Fears of subversion

The high level of defence spending, the Sultan's own interest in defence and security and the perceived threats of subversion from outside make Oman highly security conscious, restrictive of the entry of visitors and apt to react with a major security alert to any hint of trouble.

Palestinians find it very hard to enter. Oman by normal means. Some people argue that the security is obsessive and that the protection given the Sultan, at least until recently, cut him off his own people and so was counter productive. In early 1978, over reaction

and faulty analysis of informamander to give advice and continued training an important role in bringing tion by the Oman Research development and particularly commanders (except those of the battalions raised from the country—especially Dhofar a big build-up on the Abu Dhabi are border even the Firgat home an guard were brought up from ani Dhofar. It turned out that Abu Watts (formerly commander of society. It is often thought in Dhabi was staging some routine the SAS whose last contingent Oman that to counteract any exercises. One result was that the ORD has since been shaken forces, especially when Omani up and some of the older sation has gone further, the personnel replaced (with that post. He will stay for sation has gone further, the personnel replaced (with three years as general, and the Royal Oman Police have Britons), and a new director Omanis hope he will stay on deliberately been well equipped. brought in from Hong Kong

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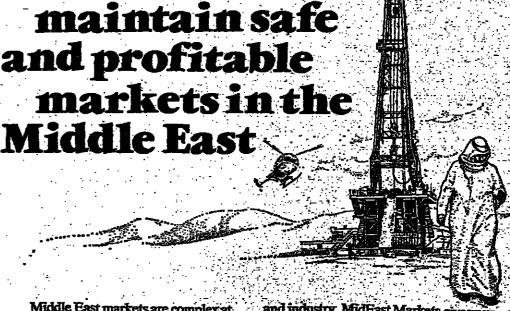
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Rural pattern of living destroyed by change

OMAN VII

not only formed the basis for the economy of Oman, but also social and political institutions were rooted. Today, the old pattern has all but disappeared.

In part, this collapse has been caused by the importing of food, coupled to a fall in demand for the old product of the land, and in part by the availability of an alternative economy and the perceived attractions of the new centres of development. But more important is the damage caused by the break-down of traditional social structures. Here, the changes have been least appreciated and the remedies most ill-conceived.

The worst affected part of the region is the mountainous interior, the part of the country which was more or less indepen-dent of the Sultan until the British backed coup of late 1955 which did away with the rule the Imams (spiritual leaders) whose origins go back to the eighth century.

With the final suppression of the Imamate resistance movement in the early 1960s, effective control of the whole country moved to Muscat and for the first time in its Islamic history the interior was opened up to outside influences.

With this basic shift in the structure of the country, those barriers were removed which had isolated the interior and allowed to continue, largely unchanged, those insti-tutions that had been developed between the eighth and twelfth centuries.

Emphasis

With the accession of Sultan Qaboos in 1970 suppression gave way to more benign rule, but with it has come neglect, Political emphasis is now concentrated on the southern province of Dhofar where the Sultan, learning from the failures of his father, is following up war with development. rural investment budget, while most of the rest goes to the

In contrast, little attention has been paid to the real needs of but at least the tribal and the villagers in the now politic village social structures were ally guiescent interior. These needs are rooted in the organisation of the aflaj community, whilst the Ibadhi religious code a village structure based on the ensured a reasonable distribudistribution of water, and quite tion of wealth and adequate unknown on the Batinah coast representation of the interests where irrigation is by wells.

The main form of falaj in lation in the running of the Oman is the quant falaj, a tun- country. groundwater at the foot of the mountains, often as long as 8 km and 25m deep at its headwaters. It has been built at "in-finite toil and expense" (Poly-bius) to exploit a scarce resource in areas where the potential for settlement is marginal and upon which the whole village community depends for its subsistence. In Oman, the fulcy network is of great antiquity, and also long established is the system each village has worked out to deal with such problems as seasonal and interannual variations in discharge, falaj maintenance, and the schedule for delivery of water to individual shareholders. For such communities a sense of equitable participation in the benefits, as well as the costs and occasional catastrophes, of their water supply is fundamental if the community is to maintain

Since planners and officials are recruited from a culture alien to the traditions of the interior, they are largely ignor-ant of the centuries-old legal background, and the Irrigation Department of the Ministry of Agriculture in Muscat respon-sible for aflaj is relegated to



Women wash and fill water-jars in an ancient canal, near Nizwa, Oman. The system of falaj, or irrigation by gravity channels, is still widely used

hydrology, had been applied larly manifest in the present When the fashion today is to state of date palm cultivation. talk of co-operatives in agri- As a result, there is someculture, one of the most highlydeveloped co-operative systems that exist in Oman is being ignored as a result of a failure to know how it functions, or even to appreciate its very existence.

This ignorance by officialdom. rather than lack of goodwill, is the basic cause of many presentday problems. The present Government can point to schemes and well-intentioned Dhofar receives a dispro- efforts, but their failure to meet portionate share of the State's the real needs of the villages stems from a lack of understanding of how land organisation actually functions. The old Imamate system was not ideal. partially integrated through the communal interest in the falaj, of all elements in the popu-

Tribal system

The cost of maintaining this primitive "democracy" could be high in economic terms, for the tribal system functioned by opposing rather than uniting groups, while the decentralised form of Ibadhi government resulted in a failure to invest sufficiently in the upkeep of the country's irrigation system. In contrast, the villager has peace today and a government with the means to better his lot. Yet there is no security, for he lives in a world in which he has lost confidence. The collapse of the old sociopolitical structure has left a vacuum of organisation in the villages and is a major fact contributing to the abandon-ment of land.

Migration from the villages, whether to the burgeoning new centres on the Coast or to other prosperous parts of the Gulf region, is the main manifestation of these declining condiof change in the villages, for the pattern of the agricultural calendar along with the division the change in the division the existing system and the changes, whereafter it was evenly through the community. to be seen that the water flow calendar along with the division the existing system and the changes, whereafter it was evenly through the community. of labour and responsibility sible for official is relegated to was based on the old demo-supply is playing into the hands a very minor position. As a graphic structure. The result is of the relatively wealthy and result, cases of potential con- an increasing misuse of water, powerful who can exploit short-

of funds for emergencies and the maintenance of the poor and

flict have developed in recent a failure to react correctly to years which would never have such threats as drought or flood arisen if the old laws, based and a general decline in agricul-on a sound knowledge of tural standards that is partivu-

As a result, there is something of a shift away from the old cultivating patterns, with an increasing portion of the area now under seasonal crops and a shift from the falaj water supply to pumps.

There are several conse-The first is that this quences. tendency is not evenly spread so that the smaller, more remote, and more marginal settlements, are being completely abandoned: this movement becomes irreversible once the 'irrigation system collapses.

The second is that the ability to invest in the new technology is confined to the more wealthy people, such as the merchants, or those who have gone to work in the oil-rich areas.

The result is a growing class division between rich and poor and an increasing amount of absentee landlordism, a feature East Africa).

But more important, perhaps, than either of these is the breakdown of the integrated use of pumps is upsetting the hydrological equilibrium of the a communal water supply.

Vigorous action is called for which is not forthcoming. On the one hand the installation and distribution of the pumps must be carefully regulated so that their water use complements, rather than competes with, the faloi, and on the other, government - sponsored land development should be channelled through the agency of the falaj organisation, so that the village administration is rein-forced rather than weakened,

the existing system and the failure to maintain the water

of others dependent on it. One example is that of waof, the system of religiously organised charity. Studies on the tradiional use of magf in Izki, near Nizwa, show how important this was in providing for such community interests as education, hospitality, the upkeep of reli-gious buildings, and the supply

orphans.
In some measure, these needs are being fulfilled by government organisations, in some cases more fully than under the old system. Yet the growth of a welfare state institution. administered by a remote con-tral government, is replacing self-help and the sense of communal responsibility. Once again the society is being sapped of its own energy—centuries of

work are being undone without

thought or even awareness of vhat is happening. to any of these problems. Many of the charges are inevitable and, in some respects, there is not a great deal to be done about them. But, in a country of perhaps three quarters of a million people which is also relatively poorly endowed with oil, there is no room for complacency in this decline of the agricultural economy. This is particularly so since most of the labour from the villages is

not being drawn off into the oil

sector but into non-productive

occupations which do little to better the standards of the

Casual labour

A major survey conducted by a Durham University team in the Ibri area and published in 1977 showed that three quarters the male population between and 40 years old were absent. Nearly a half of these were occupying low grade posi tions in security forces, a quar-ter were unemployed, while over half of the rest were only acting as casual labour or farashes or office boys in

Government offices. The most disturbing feature about this situation is the lack of awareness of what is happen ing and the insensitivity of those in authority to realise that this rural exodus is not only which was traditionally almost failing to benefit the population, entirely absent in Oman (except but is also leading to the colin the Sharqiya, the eastern tip lapse of an irrigation system of Oman, many of whose inhabitants used to live or work in income and of a society which

True, surveys are commis reports are lost in departmental falaj organisation which is the reshuffles and there is no conkey to village unity. This is tinuity in the collection of not really because uncontrolled data essential for future development.

Cushioned from the outside individual drainage basins, as is by the trappings of new wealth the case in some places else the Government in Oman today where, but rather because the is profoundly ignorant of the new technology is bound to a realities of rural life. A little tenure system based on the story from the past should per-individual well unit, rather than haps be fixed on the wall of all The story goes: "One day,

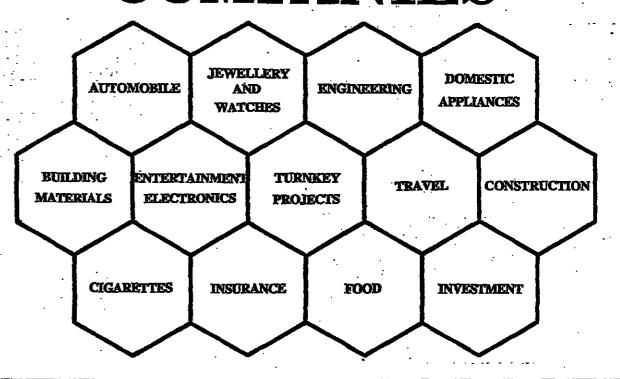
while the Imam Ghassan ibn Abdulla (808-823) was out walking in Nizwa, he noticed that water-moss was beginning to clog the main irrigation

"Realising that this was a sign of something wrong, he determined on discovering the cause. Eventually he managed to narrow it down to mis-management by his own officials. These he therefore changed, whereafter it was

The writer is a lecturer in geography at the University of Oxford.

CONTRIBUTING **DEVELOPMENT IN OMAN**

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Head Office, P.O. Box 4175. Ruwi, Sultanate of Oman OMAN'S MANAGEMENT of its prefers to winning them back." "British puppet." Despite the foreign affairs today owes much the shirt and most recent occasional token initiative to two things: its physical isola- example is Oman's acceptance in tion-by sea or by desert-from other countries, except the United Arab Emirates; and its long historical tradition of looking outwards from Arabia to trade and colonisation along the coasts of Africa and the Indian subcontinent (Zanzibar was once Oman's most prized territory. Its last foreign possession, a little enclave on the coast of Pakistan, was given up only 22 years ago).

Perhaps this is why Omanis are far bolder than other Arabs saying bluntly what they think, a trait that appears to be reflected in the Sultan's Unlike other foreign policy. Arab states Oman does not automatically subscribe to conventional Arab attitudes, which it often considers—and describes in private—as bogus and hypocritical and it often sees Arab affairs in a broader context.

But its publicly flaunted independent line on many issues can make it isolated, while an unquantifiable factor is how much effect the government's attitudes in foreign affairs have on opinion at home.

Out of step

In three particular respects in the past few years Oman has been out of step with most of its Arab brothers. First, the Sultanate had good relations with non-Arab Iran during the reign of the Shah and relied heavily on Iranian troops for putting down the insurgency in Dhofar. Sultan Qaboos, who in many ways admired the Shah. found Iran a good counterweight to the Arab world as well as a supposedly powerful friend to rely on for more military help in an emergency.

Second. Oman has been far more positive about President Sadat's peace initiative towards Israel and the Camp David agreement than most other Arab states, believing that the peace treaty was by far the most worthwhile step towards settling the Middle East conflict that had so far been taken and privately challenging the Arab countries which rejected Camp David to produce an alternative strategy

Senior Omani officials are privately scarnful of the rejectionists: one of them describes the \$1.5bn Arab aid which Syria state as "rent for the occupied Golan Heights which Damascus

The third and most recent principle of the idea of U.S. forces using military facilities in Oman in an emergency. This would not involve U.S. or other foreign troops being stationed permanently on Omani soil, but it is nevertheless a bolder position than other Arab states, except for Egypt, have chosen to make public.

Serious risks

All these policies entail serious risks and in the first half of 1979 Oman was looking decidedly isolated in the region because of the fall of the Shah and because of its continued backing for Egypt, with only Sudan and Somalia as partners in the Arab League. Though there was little question of Muscat is 1,200 miles of desert Saudi Arabia or Abu Dhabi and mountain from Aden cutting off aid, there was a —and it seems unlikely danger that Oman's stance could that an invasion would increase the possibility of subterrorists - and in fact there were a number of security

As a result Oman attended the Tunis Arab League meetings and went out of its way to state that it believed in full Israeli withdrawal to 1967 borders and in Palestinian selfdetermination with the right to independent statehood. It did however break relations with Egypt.

In late September it launched an initiative on the security of the Strait of Hormuz, much of which is in Omani waters, with the side aim of strengthening its links with its Gulf neighbours and Mr. Qais Zawawi, the Minister of State for Foreign Affairs, attended the meeting of conservative Gulf states in October 1979 at Taif.

But the Arab-Israeli conflict has a lower priority in the Gov-ernment's thinking than what it sees as the Soviet threat in Western Asia and the Horn of Africa. and Sultan Qaboos's persistent warnings over the past few years to the Western countries and to other Arab states have at last met a firm response following the Soviet invasion of Afghanistan.

towards reconciliation the Aden government still backs the Popular Front for the Liberation of Oman, which sent an important mission to Moscow in the middle of last year.

Seeing the fast buildup of both the South Yemeni and the Russian forces at Aden-now brazenly a Soviet base—all South Yemen's near neighbours have reason to be alarmed.

But it is acknowledged in Muscat that South Yemen's preoccupations are primarily with North Yemen, which it attacked early last year, while there are plenty of domestic feuds within the Marxist government in Aden. The logistical difficulties

of a South Yemeni invasion of Oman by land are immense— Muscat is 1,200 miles of desert be attempted without an inviversion and sabotage from South tation from a strong group or Yemen, Iraq and Palestinian even a revolutionary governeven a revolutionary govern-ment inside Oman, Hence the warnings to Sultan Qaboos from his friends not to ignore potential internal threats.

The other area of great possible danger is the Strait of Hormuz, the waterway partly in Omani territorial waters at the entrance to the Gulf which at its parrowest is 24 miles wide and through which about two-thirds of the West's oil imports

Terrorists' claims

From the departure of the British from the Gulf in 1971 to the Iranian revolution in 1979 the strait was guarded by Iran. Now Oman, with only a few fast patrol boats in its navy and just a company of the Muscat regiment at Khasab on the rugged Masandam peninsula, has the responsibility of guarding the straits, but without the minesweepers essential to make a proper job of it. For probably the most dangerous threat is of terrorists laying mines there, or claiming that they have done so.

However remote such a possibility may be --- there are plenty of more tempting and The greatest external threat in the world—it is clear both to Oman sees is from South Yemen. the oil exporters of the Gulf and with which it does not have to the Western oil consumers diplomatic relations and which that the Strait ought to be made obtains annually as a frontline keeps up a steady stream of more secure. Oman's attitude radio propaganda against the to this issue may be dictated "agent Qaboos" who it calls a partly by its broadly pro- force. And it will take some



alone implement it.

of the sultanate.

One continuing failure of

Oman's foreign policy has been

that it has not yet established as good relations as it needs

with the United Arab Emirates,

the loosely-governed federation of sheikhdoms on Oman's north-

western border whose bound-

aries are intertwined with those

Actual confrontations with the UAE have centred on a

variety of border disputes of

Western posture, since its own time to reach any agreement, let oil does not pass through the

Last year Oman had the navigation channel through the Strait moved further away from its coast and started work on a small naval facility at Goat Island from which the Strait can better surveyed and patrolled. In September it approached all the Gulf states, including Iraq, Iran and Saudi Arabia, and the main Western countries with a proposal that the Gulf states should largely pay for and the Western countries supply a force of minesweepers and some other equipment for the Omani navy to patrol the Strait more effec-

tively. But logical as the idea seemed it virtually foundered at the outset. Iraq, approached first, perhaps because its participation would have been essential to any scheme, was put off by the suddenness of the proposal, the shift of Western involvement and its reluctance to put the defence of its trade in the hands of Oman. So it publicly condemned the plan, which made it much less easy for other states to accept it.

But nearly five months after the initial near-fiasco the idea still appears to be alive, with Iraq still involved in discussions. It seem possible that some kind of force will be created for the Crait but it is perhaps less likely to be solely an Omani

cerning Abu Dhabi, Fujairah. Dubai and Ras al Khaimah: in early 1978 the sultanate rushed troops up to the Abu Dhabi border, and on a spectacularly high ridge in Masandam there is still a line of Omani military posts facing those of Ras al Khaimah. Fortunately, a succession of missions in the past six months have gone a long way to neutralising these various disputes and allowing the mechanism for settling them

Border disputes

But the border disputes probably mask the real problems of drain on Omani manpower, both civil and military, with particu-larly serious effects for the Omani armed forces and the police: while because of its loose internal security and immiolex border with Oman, the UAE unwittingly provides a potential backdoor into the Sultanate for subversives, under-

not been properly settled, even though the Omani establishment has good personal relations with some of the ruling families of the UAE and Abu Dhabi gives Oman considerable financial aid. So far Oman has not opened a Dhabi, though it has a consulate ancient and obscure origin con- in Dubai.

towards the U.S. out of uncertainty about British policy towards the Sultanate in early 1979. Initially cautious, the U.S. would now like to use Omani military facilities in an emergency, possibly as part of an operation whereby U.S. troops flew into the area to meet heavy equipment arriving by sea so as to stand by for action in a neighbouring country. Its base at Diego Garcia in

the Indian Ocean is too far away from the west Asian mainland, and the U.S. is also looking for facilities in Somalia and Kenya. The next stage is for the U.S. to send a mission with relations with the UAE. The the task of assessing the federation's riches make it a potential of Omani facilities in detail. Those under consideration are the airfields at Salalah and Thamarit in Dhofar, Masirah Island and Seeb near Muscat, adjacent to the main loose internal security and immi-military base at Muaskar al gration controls, and the com-Murtafa. The latter two would he most suitable, though what Masirah has in terms of remoteness and privacy it lacks in terms of facilities. It has only mining the tight security at a fishing harbour and the air-other entry points. field has no radar. Up till new These intractable issues have the only U.S. military involvement has been the occasional visit by a U.S. Navy P3 Orion reconnaissance aircraft '

> The election of the Conservative Government in Britain may have marginally improved its relations with Oman, where the UK has its important military involvement. Britain

Oman with much of the military equipment it wants and to maintain

programme. The root of the British dilemma, which Conservative Ministers feel little less than their Labour predecessors, is that Britain's heavy unvolvement is not matched by comparable influence over events. while it fears there may be confusion in Omani minds between the role of the British Embassy and that of British expatriate advisers working for the Sultan.

Anxiety about Oman and in particular the Sultan's internal position—justified or not reached a peak last spring after the fall of the Shah, and at the time of the Queen's visit to the Sultanate, Omani feathers, always sensitive, were badiy ruffled. But the British Ministers had to face the fact that the only real way they could influence Sultan Qaboos was by reducing their military support, which might well have exactly the result they wanted to avoid gravely endangering the

regime. The The new enxiety over Afghanistan has not totally blinded the British Government to Oman's potential weaknesses though one cause of disagreement-Omen's involvement in supplying Rhodesia with arms and other materials in breach of sanctions—has ended with the removal of sanctions.

The strategic importance of Dhofar Province

THE SOUTHERN Province of Dhofar has few cultural ties and only recent historic links with the rest of the Sultanate of Oman. Climatically and ethnically it is different.

Geographically, it is separated from the north by desert tracts. Yet, Dhofar is vitally important because it is the province directly adjoining the People's Democratic Republic of Yemen (PDRY), the only Marxist state in the Arab world.

A firm believer in the domino theory, Sultan Qaboos bin Said is chiefly pre-occupied with what he sees as "the advance of Communism." Soviet domin-ation of South Yemen and the ct of Soviet or backed insurgency in Dhofar is of over-riding concern. If Oman falls to the Communists, so will the rest of the Arabian Peninsula, he maintains.

The Dhofar War ended in December, 1975. But the sultan-ate is taking no risks. It was the PDRY that provided a refuge and military support for Dhofari rebels for much of the 12-year struggle against sultanate rule.

Today, the PDRY's armed forces are equipped and advised and its airforce trained by the Soviet Union; its intelligence services are run by the Germans; and there are 1-2,000 Russians and Cubans in the country.

The visit of a Soviet aircraft carrier to South Yemeni waters in 1979 was an ominous reminder that Aden could become a fully-fledged Soviet naval base. And the recent Soviet-PDRY Friendship Treaty will only have confirmed the Omanis in their view that the Russians will use every opportunity to increase their military presence in South Yemen.

Greater threat

So, the Omani Government is not unduly concerned at the presence of some 49 rebels in Eastern Dhofar now cut off from their external base in South Yemen. None the less, occasional incidents have led to the deaths of a New Zealand contract officer last year and of five British engineers in 1978. The greater threat lies in the possi-bility of a Soviet-backed infantry thrust across the border with armour and air support, using the excuse of helping Popular Front for the Liberation of Oman (PFLO) supporters. The presence of PFLO training camps with Cuban advisers in Yemen (at Hauf, Al Gheiba and Mukalla), and the alleged success, last spring, of Abdul Aziz Qadi, the PFLO's chairman, in extracting promises of material support from Moscow add to the Sultanate's

anxiety.

Militarily, no expense has been spared in bolstering the Sultanate's British - directed deterrent against this external threat. The lion's share of the Government's high rate of defence spending—81 per cent of the 1979 budget, compared with 40 per cent of budgeted Government spending in 1978 goes to Dhofar.

Southern Oman Brigade, comprising some 6,300 men of the 16,000-strong armed forces, serves in Dhofar under the command of an Omani Brigadier: five infantry battalions (two Omani and three Pakistani Baluch), an armoured car squadron, a regiment of artillery, engineering and signals units. And while Saudi Arabia last year ear-marked \$100m for



Youthful members of the 3,000-strong armed Firgat force, handsomely paid by the Government for raiding and advice on enemy movements.

craft and infantry equipmentas opposed to expensive tanks -to enhance its defensive capa-

Arguably, just as important is the 3,000-strong irregular Firqat force. After the 1970 bloodless coup against the despotic Sultan Sid bin Taimur, the civil reforms undertaken by his son and successor. Sultan Qaboos, are said to have eliminated many of the grievances that led the Jebali hill people (living north of the capital of Dhofar, Salalah) to rebel. As a result, the rebel movement suffered reversals; many defectors from South Yemen's regular forces, together with former Dhofari rebels and local recruits, joined the counter-guerrilla Firqat, set up and trained by the British.

Today, operating in 'tribal groups, 22 Firqats, each with up to 100 men, are used by the Sultan of Oman's Land Forces (SOLF) for raiding and advice on enemy movements. Armed and paid handsomely by the Government, and under the command of Dhofar Brigade, the Firques are otherwise controlled by the Wali of Dhofar, Hilal Bin-Saud Bin Hareb. And this is the key. As during the rebel-lion, the Dhofar counter-insurgency campaign is as much political as military, depending for success on winning the allegiance of the local popula-

Surrender

An essential aspect of winning the hearts and minds of the 60,000 Dhofaris — and the surrender in July, 1979, of Said Ghassani, a PFLO foundermember personally accredited to Qadafi, was an important feather in the Government's cap-has been the intensive Civil Aid Programme. Although the Five-Year Plan earmarked a massive RO 68.3m for this, there have been difficulties over spending. In 1978, only RO 2.5m of the OR 14.5m allocated for Dhofar development, was spent. This does not detract from the Civil Aid Department's achievements which have catapulted the province into the twentieth cen-

Since 1975, over 59 wells have Flying and Road Doctor Service, civil aid centres.

shortly includes a road network, designed by Sir William Halcrow

wants more anti-tank, anti-air- Thamrait road by Consolidated Contractors International Company, at a cost of \$300m (both

with Saudi financial help). Within two years, Hochtief Contractors of West Germany will have converted Mina Raysut into an all-year port, capable of handling a million tons of cargo, annually. In addition, Salalah boasts an international airport, a Holiday Inn hotel, numerous banks and a daily air-service to Muscat, 700

miles away. Politically, development has produced gains for the Government. It has deprived the PFLO of Dhofari support, boosting the Sultan's popularity in the process. And through the civil aid centres, it has brought the Government to the people. enabling the Sultanate to monitor the political climate in the Province and relay its volicies.

But here is the rub. The provision of aid, particularly the Garzaiz beef-rearing project for the Jebalis and the provision of cheap outboard motors for the fishermen, has arrested the flow of Jebalis, Nejdi nomads and coastal people to Salalah Signs are that Government handouts have pampered

the Dhofaris - reducing their will to work and eroding the traditional economy. The cattlerearing Jebali who provide ghee (liquefied butter) and firewood to the coastal people in exchange for sardines for use as fodder now have less incentive to de so. With only 6,090 acres of cultivable land, the Province is far from selfsufficient.

Another problem is that with economic benefits and education political expectations are on the At the grass roots, increase representatives, or elected by the mandoobs, villages, are merely responsible for bringing aid needs to the attention of the Civil Aid Department, And the 12-member Agricultural, Fisheries and Industries Council, created last May by the Sultan precisely to involve Omanis in administration, is unlikely to touch Dhofar's rural population.

Neither innovation increases been drilled; there are 31 political participation and the schools outside Salalah; and the Sultan has no majlis or informal Ministry of Health runs a assembly to fall back on Maintaining the loyalties of Dhofaris regularly visiting most of the 47 in the future will be more than a continuing drain on the Other development now under economy; it will require a construction or due to begin safety-valve to satisfy political aspirations as well.

This suggests that recent oil

and Partners, linking the Jebel finds in Dhofar by Petroleum missiles, the Sultanate villages, and the 800 km Nizwa- Development Oman (PDO) may be a mixed blessing. With Dhofar's recoverable oil reserves, now put at over 300m barrels, development of Birba, Qaharir and Marmul fields has begun. When production from these officials is combined with that of Amal and three others -Rahab, Jalmoud and Rumibin 1981, Dhofar will produce around 100,000 b/d, bringing Oman's total production up to 350.000 b/d.

Other contracts for the construction of facilities are now being awarded so that production can start in 1980.

Undoubtedly, growing economic activity in the Province will settling outside influence, and will further fuel their expectations. Equally, Omanis elsewhere will become increasingly resentful over the province receiving more than its share of the development cake.

Yet. Dhofar has become more than the Sultan's personal fief and summer retreat and more than the frontline against the Communist threat. It is now vital to Oman's economic health as well. Its oil production willoffset the decline in production in northern Oman; and provided military spending does not increase and political stability is maintained, the balance of payments could move into surplus in the 1980s.

Most importantly, Dhofar's oil will buy the Sultanate more time to strike a better balance between defence and development spending to spread development more evenly and to devolve a degree of political participation to Omanis before oil revenues begin to decline.

Crucial question

Whether the Sultan will use this breathing space is the crucial question. For the moment, the Soviet invesion of Afghanistan has given more credibility to the Sultan's fears of Soviet-supported insurgency against Oman and re-inforced his hand in his request for mili-tary aid from the West and China-with whom diplomatic relations began in 1978.

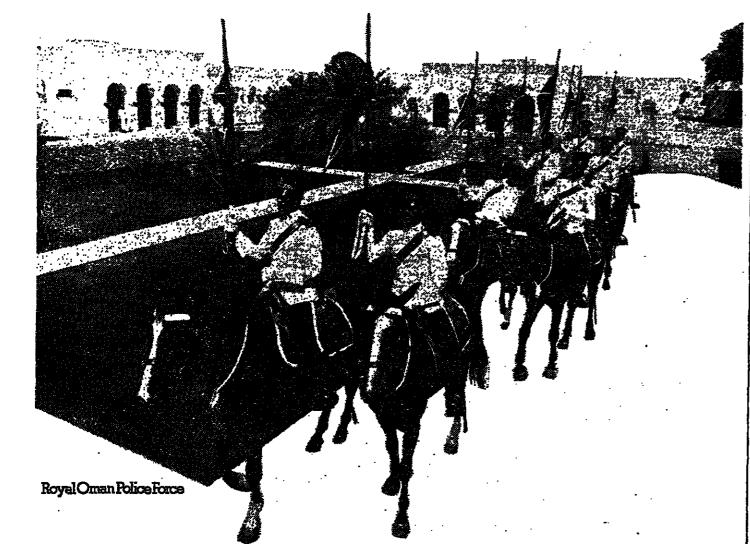
In granting the Americans temporary use of Masirah air field facilities, or perhaps Thamrait airbase in Dhofar, the Sultan would be the only Gulf ruler to co-operate, at least publicly, with Washington In doing so, his regime might become more vulnerable to the anti-Americans mood, in the As he did during the Dhofar

War, the Sultan would be wise to combine his more than adequate counter to the South Yemeni threat with greater attention to rising economic and political aspirations at home and those former members of the Dhofar Liberation Front among his advisers can be expected to tell him so.

If he does not, and if he ignores the need for greater integration with the Arab world extremists might once again find fertile ground for insur-gency, particularly in Dhofar where rapid development has produced the problems aiready mentioned making the threst from South Yemen more resithan it is today.

Valerie York The writer, who is a research

associate at the Royal Institute of International Affairs, is the author of "The Guif in the 1980s," due to be published by



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The police: a structural problem

BY IAN DAVIDSON

IN RECENT MONTHS, the which, taken with the contro-British police system has become versy between chief constables, increasingly a target of public suggests that there may be controversy, and the intensity of the controversy has grown with every passing week. The controversy embraces four—or, as f think, five - distinct chapter headings; taken together, however, they suggest that there may be structural problems embedded in our police system which need looking at afresh.

The four main chapter headings are: the deaths which have taken place in police custody; the corruption in the Metropolitan Police force, which is being investigated by Operation Countryman under Mr. Leonard Burt, from Dorset; the relations of the police with blacks and other coloured people; and the alleged failure of the new police complaints system set up under the 1976 Police Act

Endorsement

But it is the fifth chapter which may be the most interesting, since it would appear to be a tell-tale of the generalised problem of which the other four chapters are only particu-lar manifestations. This is the loquacity, which seems to have infected a growing number of chief constable ever since Sir Robert Mark set them the example, and which takes the form of rival appeals to the public, via the media, for an endorsement of different, even conflicting, interpretations of the role and tasks of the police in our and tasks of the police in our constable in charge of the opera-society. The Police Federation tions, has completed his task, has shown a tendency to react with stridency to any suggestion that anything may be amiss, when it cannot possibly be certain that all is right, and trial. But there are two pointers

something, or some things, wrong with the system as a

Quite a few people were surprised when it emerged that 245 deaths occurred in police custody in the ten years to 1979, and more were surprised when the Home Office declined to give the names of those who had died because it would cost too much—though subsequently it changed its mind on this point. These figures were point. These figures were elicited as a result of concern about one particular death, that of Mr. James Kelly, after his arrest by the Merseyside Police; and now the newly-formed Home Affairs Select Committee of the House of Commons is to hold an enquiry into the general pattern of deaths in police custody.

It was Sir Robert Mark's firm view that the right way to deal with "bent coppers" was to discipline them internally or throw them out of the force, and he secured the resignation of a large number of policemen during his tenure as Metropolitan Commissioner. Many people believed therefore that he had " cleaned up " the Met. But subsequent events, culminating in Operation Country-man, seemed to indicate either that corruption was much more deeply embedded in certain parts of the Met. than he had known, or else that the system generates strong if not irresistible pressures towards corruption. The extent of corruption cannot, of course, be publicly known until Mr. Burt, the chief and even then we shall only know about those cases which the Director of Public Prosecutions has felt able to bring to



Sir Robert Mark

has been forced, by the soli-darity between police officers, to depend heavily on informa-tion from criminals. This latter element must inhibit the succes of Countryman, since the DPP believes that juries are reluctant to convict policemen on the evidence of convicts.

One must, of course, expect that some policemen will be perverted by the opportunities offered by their dealings with the underworld. I know someone who claims to have got a relative off a life sentence charge by paying money to the police. The question which needs to be answered is whether this is a case of a few rotten applies minorities. in an excellent crop, or a more serious systemic problem.

Reappraisal

also ripe for serious reappraisal. from their proportion of the when there are prima facie to the scale of the problem: the the police system, but it isn't was 15 times higher than for signs that some things may not size of the Countryman opera-really. Most prosecutions are whites. (For reasons which are be right But it is their stridency tion, and the fact that Mr. Burt handled by the police, with the not made clear, the study does

DPP dealing only with the most serious cases. Inevitably, this gives the police a great deal of discretion in deciding whether or not to prosecute, and on what that this gives them too much discretion, and too much power, it certainly takes up time which could be more usefully spent—given their complaints of undermanning on more normal police duties. And the greater risk of corrupt relations between police and criminals, the greater the risk that the discretionary power will be misused.

The problem of police rela-tions with blacks and other coloured people has for some time been a contentious issue; black communities and their leaders believe that the police pick on them and they point to the, by now, notorious use of "sus" under the 1824 Vagrancy Act ("being a suspicious person . . .")—a charge which is logically impossible either to prove or disprove, which requires only the word of two police officers, and which is not eligible for trial by jury. They also claim that the mobile Special Patrol Group is used harass and intimidate. Scotland Yard says that (white) old ladies are grateful for the protection they think is afforded by the SPG, but there is also testimony from police officers, at the top as well as at the bottom, that aggressive, invasion-type policing ruins any attemps to bulld bridges with ethnic

At the end of 1979, the Home Office published one of its research bulletins, which was mainly devoted to the subject of race, crime and arrests. This showed that arrest rates for Some people would also argue blacks in London was far higher that the role of the DPP is than could have been predicted This may appear to be a quite population. In the case of petty separate question from that of street thefts, the arrest ratio

not reveal whether or to what some sense in charge extent this disproportion was subsequently affected by the conviction rate.) The authors imply that one possible factor, apart from black unemployment, and apart from any black propensity to crime, may be discrimination on the part of the police. the police.

Any normal person would regard this as an obvious hypo-thesis on a priori grounds; we know from common observation that racial prejudice is wide-spread in the British population, and there is no reason to suppose that the police are any different. But Scotland Yard is deeply disturbed, even by the tentative suggestion of the Home Office study, disputes the statistical basis of the findings, and is drawing up a counter-memorandum on the subject.

But the most interesting thing about the Home Office study is not what it says about may be suggestive but is far from conclusive—but what it about relations between the Home Office and the Met., on the one hand, and between the Home Office and the black community on the other.

Results

GENERAL

redundancy plans.

lunch, London,

The statistics in the study are based on the year 1975; not because those are the most but because the researcher spent two years rewriting their results in such a way as to allay the anxieties of the high-ups in the Home Office, who were at least as afraid of antagonising the black community as of antagonising the Met. The study was published just before Christmas in a manner calculated to attract the minimum of public attention. Most people, I suppose, believe that the Home Office (that most secretive of departments) is in necessary to win police confi- better reporting (since only democratic accountability.

UK: Wales TUC calls one-day

workers pay

Northern Ireland constitutional

talks resume, Stormont Castle,

Mr. Roy Jenkins, European Commission president, speaks at "What the Papers Say" awards

Mr. Helmut Sonnenfeldt, of

police, and I have heard respon sible civil servants from other Whitehall departments describe the Home Office as "fascist"and I do not mean any correlation between these two perceptions. Yet in practice it is clear that the Home Office is not in any effective sease in charge of the police, regardless of its ultimate responsibilities, and it is my impression that the primary characteristics of the department in dealing with this kind of hot potate is that of

Until 1976 complaints against the police were handled entirely independent Police Complaints Board was set up; this is widely believed to be one of the reaso for the resignation of Sir Robert Mark. It is hard to understand police hostility to a change which has turned out to be nugatory in practice. Investigations into complaints against the police are still conducted by the police. The Complaints Board sees the dossier but cannot make any independent investigation. Its latest report, for 1978, shows that nearly 12,000 complaints were made, that 59 charges were preferred by the police, and 15 disciplinary charges were recom-

mended by the Board.

I have seen most of the complaints file from one community relations office in one London borough. The cases fall into three categories: no answer yet from the police; the police say the complaint has not been substantiated; and the police say the complainant has "unreservedly" withdrawn his com-plaint. No file concluded with a reasoned answer to the complaint, let alone any expression of regret for yet another breakdown in good relations between the public and the police.

No hard conclusion is yet possible. The Board would say that a soft approach has been



Mr. William Whitelaw

dence and that it has noticed a changed response in some forces. But if one accepts that racial prejudice is widespread in Britain, it is slightly surprising to read, in the Home Office study, that no complaint of racial discrimination was upheld by the Metropolitan complaints procedure in the six years 1973-78. The inference of spotless police morality is interesting against the background of Operation Countryman.

The point about the contro versy between chief constables is that the police are increasingly swamped by the multiplicity of tasks they are supposed to undertake: crime prevention and detection, the guarding of diplomatists, the supervision fo demonstrations and football crowds, the manning of court rooms, the prosaic local beat. Everyone knows about the soaring crime rate, and while it is every one of our 43 independent possible to explain a good deal of this away on the basis of democratic debate and some

about a tenth of all crimes are reported to the police), the explanation does not solve the police problem: there are many more reported crimes for them to deal with, and their work load becomes yearly more un-By one of those traditional

of British muddle, it is accepted that the police areindependent in deciding policing policy, out of a traditional fear that the police could be-come the tool of the State or of party political government.
In practice the police cannot solve the problem they are faced with, in a society which is increasingly disrespectful of all forms of authority, and in which public notions of mores are no longer homoger This is why we find, at one extreme, Mr. John Alderson, Chief Constable of Devon and Cornwall, advocating preventive community policing and social engineering; at the other, hard-headed men like Mr. James Anderton of Manchester, pushing a hawkish line. We should sympathise with the dilemma of the police in facing a riddle which they are wholly which they are wholly unequipped to solve; and yet the best that Mr. William Whitelaw, the Home Secretary, can offer is the statement. "I believe the chief constables to he independent."

Accountability

The key word is accountability. The police would be a lot better off if some routine tasks, like traffic control and court ushering, were taken out of their hands. But they, and we, would be even better off if Parliament were to decide that the cruel choices facing police forces required some

Letters to the Editor

Panic in the pipeline?

From Mr. A. Braithwaite, Kurt Salmon Associates

Sir. - Your article "More good news for brand leaders' (January 24) deserves qualification if it is to apply to the

clothing industry.
We see retailers cutting back their orders to apparel manufacturers, often by as much as 25 per cent. In response, we From Mr. J. Burns see manufacturers reducing Sir,—I think we can deduce capacity, often in ways which from Samuel Brittan's "Econowill make it difficult to restore mic Viewpoint" (January 24) it when business picks up. There are also clear signs that this is leading to cutbacks in textile or he doesn't use gas. capacity. At the same time, we

Reduced capacity and lower consumption, will create a sup- rates and other rises. ply gap in the coming months. This will inevitably lead to a further rise in imports; another

Panic in the pipeline can be averted only if manufacturers keep their head. Those with strong brands, who produce for the consumer, sell with confidence in the collection and use the retailer as an efficient distributer rather than as only a tributor rather than as only a customer, have à better chance of maintaining performance through the coming recession. They should make the most of it, by applying their confidence in their product to boosting retailers' confidence in the

Other manufacturers can help by also adopting a total market-ing approach. Just having a brand is not enough. They need to develop products that con-sumers want rather than need and to sell through, rather than

If the manufacturing sector takes the right action, good news may well materialise in this sector also. If not, the good news will be for our competitors in the EEC and elsewhere. Alan Braithwaite. 60, Stamford New Road, Altrincham, Cheshire.

The correct gas price

From the News Editor, Electrical Times

Sir,—Samuel Brittan (The price of gas—and of hot air, January 24) quotes John Biffen's statement that the "correct" gas price "is that which would prevail if the gas industry consisted of a multitude of small firms each charging what it could get."

ing what it could get."

That surely would mean tariffs being set with an eye to what the local electricity utilities were charging since these would represent the main, it not only source of conif not only, source of com-

The Government, however, has "rigged" the market by preventing both gas and electricity industries from "charging what they can get" and instead and they can get an and instead and they can get an and instead and they can get an analysis of the can instead set them targets formed in the light of what it thinks they ought to be able to get, while taking its own political objectives into account.

To quote Sir Denis Rooke, "We believe that the real price of each form of energy should reflect its real costs and their muire increase as lar as we magnitude increase a great influence a rate which entitles it to a seat. St. Martine le Grand, EC1.

artificial principle, such as within the committees of the on the council, where it is able alignment with other fuels on CBL But this is not so. Despite to contribute its immense thermal parity basis. Indeed to base all energy prices on destroy competition and to encourage inefficiency."

Dorset House, Stamford St, SE1

An economic viewpoint

that his income has risen "roughly in line with inflation"

For those of us not in the note from a recent study that apparel consumption is likely to be maintained this year.

The thousand position of "most people" — personally I am 10 per cent short of fising in line—the increases are another output, when coupled to stable blow on top of mortgage, petrol,

For those of us who were quick off the mark and did our homework before choosing gas twist in the downward spiral of the new tax is an insuit as well our home manufacturing in as a bitter imposition.

We are entitled to our "uproar" and Mr. Brittan should be more careful in his assumptions about people's earnings. I suggest a few weeks in British industry would help him get his ideas sorted out. J. E. Burns.

22, Pingate Lane, Cheadle Hulme, Cheshire.

Unpaid

From the Managing Director, Whiteland Engineering

Sir.-Mr. Stern (January 18) draws attention to unpaid bills —a major problem of most small their terms of contract, a fallacy of course, as Mr. Stern bas rightly pointed out.

Maybe the attitude towards

small companies is changing due to the efforts of breakaway groups from the CBI such as the Union of Independent Comthe CBI would support such legislation, but the rate must be "at least" 2-3 per cent above the minimum lending rate (as is currently charged by some large companies and local authorities) since the object of the legislation would be to keep the legislation would be to keep money circulating in the hands of the rightful owners and not to provide an alternative source of compulsory lending. W. H. Whiteland. Torrington Lane, Bideford, North Devon.

A voice for small firms

From the Chairman P. Ormiston and Sons

Sir,-Once again (January 16) the CBI is attempting to con-vince us that it is the patron of small businesses. "The greater part of the member-ship of the CBI consists of ship of the CBI consists of port? size," says Mr. Edward James, pany with numerous other MUA did not choose to take part deputy director general of the organisations which have "asso- in this exercise. CRL Such a declaration you ciation " membership of the Denis E. Roberts.

might think indicates that small. CBL, and pays a subscription at Postal EQ Building,

the fact that they comprise the majority of the membership such a principle would be to the representation of small firms mutual benefit to the CBI and is limited to 10 per cent on the main committees and 25 per cent on regional councils. The small firms council al-

though it purports to serve independent companies is itself deprived of independence because its decisions have to be vetted by the general counper cent of whose membership is drawn from the nationalised industries and big public companies. This is a SW1. ment to officials as well as the members of the CBL

Mr. James complains that the message seem very slow in getting through." occurred to him that that could From Mr. D. Buckham be due to the fact that the message is rather unconvincing. Perhaps when the CEI is able to attract individual small firms in substantial numbers rather than recruit them through trade associations it will present a more convincing image.

At present the CBI attempts to represent the nationalised industries, the big public com-panies and small firms. It has demonstrated quite clearly which group gets the major say in its affairs by the allocation of seats on its committees. John Ormiston. Broughton Road,

Joining the CBI

From the Deputy Director-General Confederation of British Industry

Sir,-Your diarist, Observer, informed your readers (Janubusinesses. I understand legis- ary 22) that he is eager to lation has existed for years in bring them even deeper insights some European countries but in into the workings of the busithe past the CBI has been unness and financial world. I amwilling to support such a move bound to say that in his item here, pointing out that the headed "Mystery member" he remedy is available to all in utterly failed in this laudable

First he spoke of "the strangely unpublicised" decision of the Stock Exchange council to join the CBI. In fact its membership was given exactly the same publicity as is the Union of Independent Companies. It is even conceivable ber. Is there any reason why that the small firms council of it should be given more? It the CBI would support such was sufficient to bring its legislation but the rate was membership to the attention of Then Observer found it neces-

sary to ask what the Stock Exchange hoped to gain from membership of the CBI and apparently could not understand the answer. The answer really should be so obvious as to make the question unnecessary. The main purpose of the CBI is to work for increased prosperity for British industry and com-merce through free enterprise and the market economy, doing this to the ultimate benefit of the nation at large. Is not the future of stockbroking wholly dependent on the continuance of the system of free enterprise and the market economy, and its prosperity industry and commerce? And do not these provide the soundest possible reasons for the Stock Exchange

to give the CBI its active sup-

experience and expertise to the deliberations of the CBI. to the Stock Exchange is evident.

I hope I have said enough to make clear that we are not at all nonplussed as to the reasons why the Stock Exchange joined the CBL. It rather looks as if it was Observer who was a bit short on the physics on this. Edward James. 21 Tothill Street,

Confusing names

Toplis and Harding

Sir,-In Men and Matters (January 18) you referred to Toplis and Harding (Middle East), "Toplis and Harding" and "T and H" in a way which could cause confusion.

Tophis and Harding is a professional partnership of los adjusters established since 1790, and with associated partnerships and companies throughout the world. The firm continues as a wholly independent entity and is in no way connected with the Foreign Office or any other Government department

The only company with which this firm has been involved and which has been taken over by the Foreign Office is Toplis and Harding (Middle East). It was founded after Suez to deseques-trate the assets of British nationals in Egypt, but the returns were disappointing and after some years it became necessary to protect the needs of the residual clients. This was a particular case and in no way affected the full independence of Toplis and Harding or any other member of the group. D. R. Buckham. 10 Arthur Street, EC4.

Planning for posts

From the Managing Director, Posts, Post Office.

Sir, — I am happy to agree with Julian Blackwell (January 19) on at least two points on the planning of postal services for the 1980s. He says that research should precede decisions; agreed: and that Posts and its larger customers should assist each other in their planning; also agreed. To have reached a meeting of minds on these things is encouraging.

But his implied assumption

that Posts does not do any mar-ket research is totally incorrect. We do not introduce changes without the necessary groundwork and research. I have no intention of introducing illprepared changes and have said so. He is also wrong to suggest that his group has not had opportunity to contribute to re-search into customer needs. As a former chairman of the Mail Users' Association, he must be aware of our invitation to the MUA to participate in regular surveys of the views of their members about postal services and attitudes to possible ser-vice changes, as a basis for a more informed dialogue. Unlike other customer associations, the

Today's Events

general strike in coal, transport and steel industries in protest Royal Institute of International PARLIAMENTARY BUSINESS against coal imports and BSC's Affairs.

Mr. David Howell, Energy East-West relations and the crisis Secretary, speaks at energy in South West Asia. savings seminar, Guildford. Widows' charter launched by National Association of Widows. Sir Peter Gadsden, Lord Mayor of London, lunches with Board of Harrisons and Crosfield,

Gt. Tower Street, EC3. Two-day international conferthe Brookings Institution, ence on "Hotels and Washington, speaks on super-Tourism—the next ten ye power relations in the 1980s, at Commonwealth Institute. Tourism—the next ten years" at 4.30 pm. Treasury and Civil Commonwealth Institute. Service. Subject: Efficiency in

House of Commons: Debate on

House of Lords: Police Negotiating Board Bill, report. Representation of the People Bill, third reading. Protection of Trading Interests Bill, second reading.

Select Committees: Affairs. Subject: public order. Witnesses; Home Office. Room 8

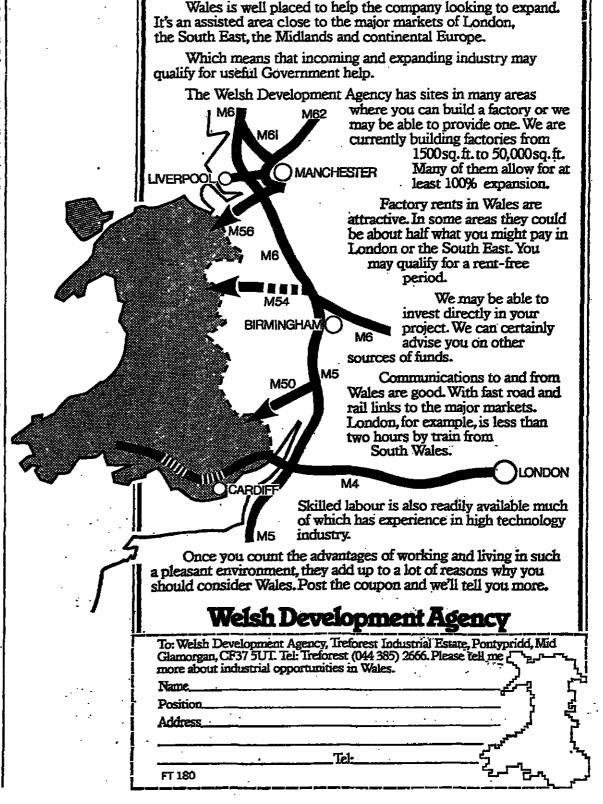
the Civil Service. Witnesses: Mr. Paul Channon, Minister for the Civil Service. Room 15, 4.45 pm. COMPANY MEETINGS

See Financial Diary on Page 18. COMPANY RESULTS

Final dividends: Braid Group. Brentall Beard Holdings. Interim dividends: Ashley Industrial Trust. Cantors. Country and New Town Properties. Ellis and Everard. The Midland Trust. Neepsend. Stirling Knitting

LUNCHTIME MUSIC, London BBC concert, St. John's, Smith

LET US EXPAND ON THE BUSINESS **VANTAGES OF WALES**



BIDS AND DEALS

Mr. Ferguson Lacey negotiating to buy £40m Lonrho stake

Mr. Graham Ferguson Lacey has confirmed that he is negotiating with Gulf Fisherles, a company owned by Sheikh Nassar, to buy Gulf's stake in

Gulf has made no secret of its wish to sell its 40.46m shares, which amounts to 19 per cent of Lonrho's equity and which have a current market value of £40.5m.

Mr. Ferguson Lacey says that negotiations are likely to be completed, if they are successful. by the end of the week. He is hoping to buy the shares on behalf of one of his private

U.S.-based companies.

Meanwhile, National Carbonising, the quoted energy com-pany of which Mr. Ferguson Lacy is chairman, is thought to be buying further shares in Weeks Petroleum on the Australian market. Weeks has a quotation both in Australia and the UK and National Car-bonising has a 5 per cent stake

Earlier this month. National Carbonising sold its long-standing stake in London and Scottish Marine Oil.

ALLIED CHEMICAL **BUYS TORIC**

Through its automotive products division, Allied Chemical, of the U.S., has purchased Toric Accessories International of the UK and a 50 per cent interest in the Spanish concern, Klippan-Saspa SA, for an undisclosed

Allied has agreed to purchase the remaining 50 per cent of Klippan-Saspa on receipt of Spanish government approval .

Both companies produce automotive seatbelts.

TURNER & NEWALL Turner and Newall has recently sold half of its interest in SA Française du Ferodo at approximately the market price. thus reducing its holding in that group, has bought Jackstone

BOARD MEETINGS

ins tollowing companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions have been applied to the sub-divisions and the sub-divisions are the sub-divisions are

interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY
Interims—Ashley Industrial Trust, Cantors, Country and New Froperties, Ellia and Everard, Estates Property Investment, Midland Trust, Neepsend, Stirling Knitting, Finals—Braid Group, Brentnall Beard, Kuela Lumpur Kepong Behed.

FUTURE DATES

PUIUNE PAIRS	
Interims— Christie-Tyler	(3
Croach Group	
Daejan Holdings	Jan. 3
Garlord-Lilley	
Gaunt (Roland)	Feb.
M.L. Holdings	Feb.
Reardon Smith Line	Jan. 3
Unitech	Feb.
Finals—	
1.D.C	Jan. 2
Scottish Agricultural Industries	
Sterling Trust	Enh

company from 6.8 per cent to 3.4 per cent.
The results for last year include those of Robert Porter, which was sold on March 1, 1979.

TELBEDDE

OFFER CLOSES The unconditional offer made on behalf of Mr. A. H. Plaskow and Mr. M. Margo for the ordinary shares in Telbedde Ragalla Investments which they and their associates do not

already own has closed. Acceptances have been received in respect of 698,421 25p ordinary shares and 107,810 20p ordinary shares.

FRIGOSCANDIA ACQUISITION Frigoscandia, part of the worldwide AGA Frigoscandia

Group Sales for 1978/79 amounted to £142,200,000 an increase of 8% over the previous year. Group profits, before taxation

ng strikes during the last two months of our financial year. The level of profit in the light of the considerable engineering strikes during the last two months of our manual year. And some fredit on our management and employees difficulties must be considered as extremely carisfactor, and again reflects great credit on our management and employees

firm predictions about the current financial year. The year has

started well with full production in Mining Machinery and kango and with the recovery in other areas being maintained. The future for the world coal industry looks as good as ever in view of the worries over oil supplies and we are determined to maintain our high position in the world-wide roof

support market.

I feet that, in spite of all the many difficulties that lie ahead.

C. F. Ward, Chairman

and extraordinary items, increased by £448,000 to a figure of £14,225,000. These results were achieved in the face of exceptional interruptions of production caused by the industrial disputes of last Winter and the damaging national

A Mining and Specialised Engineering Group LONDON . NOTTINGHAM . WIGAN

BURTON B.V.

(Incorporated with Limited Liability in the Netherlands)

a subsidiary of The Burton Group Limited

(Incorporated with Limited Liability in England)

Notice to holders of French Franc 51% Convertible Guaranteed Loan 1992

At the Extraordinary General Meeting of the Company held on 16th January, 1980 the Resolution set out in the Notice thereof was duly passed. Accordingly, the enfranchisement of the 'A' non-voting ordinary shares and the compensation and capitalisation issues (details of which were explained in the circular letter dated 14th December, 1978 and referred to in the advertisement dated 17th December, 1979)

As a result, the right of holders of the bonds representing the above mentioned

loan have been amended to substitute the right of conversion into ordinary shares in

In addition, the rights attaching to the bonds have been adjusted to reflect the capitalisation issue, but not the compensation issue, by reducing the conversion price from 258p per share to 129p per share and this adjustment has been certified by Price Waterhouse & Co., the auditors of The Burton Group Limited, as being in accordance with the terms of the transfer of the land the state of the land the conversion limited.

into a supplemental deed amending the trust deed, so as to provide for conversion

A copy of the circular can be obtained from the Principal Paying Agent:

N. M. Rothschild & Sons Limited

New Court

St. Swithin's Lane

London ECAP 4DU

and from the following paying and conversion agents

Algemene Bank

Nederland N.V. 32 Vijzelstraat

Amsterdam

Sal Oppenheim Jr. & Cle 4 Unter Sachsenbausen

Banque Rothschild

21 Rue Laffitte

Commercial Union Assurance Company Limited, as trustee of the loan, has entered

place of the right to convert into 'A' non-voting ordinary shares.

into ordinary shares instead of 'A' non-voting ordinary shares

Banque Internationale

Luxembourg S.A. 2 Boulevard Royal

Luxembourg

Copies of the report are available from

Dobson Park

Extremely

satisfactory"

The people who work for Dobson Park can be proud of their

The people with the past year and there is certainly no gloom and despondency about the Groups' future. During a year of exceptional difficulties we were successful in increasing our total exports by 26% to an amount of 2312m. It is still our firm intention to expand our overseas sales and earnings and, during the year, further investments have been made in overseas outlets.

Future Prospects
In the present unstable conditions it would be foolish to make

Summery of Results

World Sales to third parties Sales in the United Kingdom Sales Oversees

Grimsby-based

freezer manufacturer, together with its subsidiary Torbinia, which produces freezer plates and conveyors, from Christian Salvesen (Food Services). Jackstone Froster last year had a turnover of more than £3m.

ELSWICK PAYS £0.67M MORE IN TURNER DEAL Elswick-Hopper has paid a further £665,000, the agreed maximum, to the original vendors of Turner International (Engineering), with the issue of 3.69m fully paid shares at 18p. Under the terms of the sores.

Under the terms of the agreement, of last February, a further 350p was payable for every £1 by which the profits before tax, for the year ended September 30, 1979, exceeded £250,000 subject to a maximum further consideration of £665,000. Turners profits for the period exceeded £440,000.

SHARE STAKES Rothschild Investment Trust—

Mr. Jacob Rothschild has acquired a non-beneficial interest in 5,401,709 shares.

Concord Rotaflex—Mr. M. J. E. Frye, director, reports the purchase of 290,000 shares on behalf of an overseas settlement in which members of the family which members of the family have discretionary interests. Britannia Arrow Holdings— London Trust Holds 10m shares (13.29 per cent).

FT Share Information

The following securities have been added to the Share Information Service appearing in the Financial Times:

Canada Northwest Australia Oil (Section: Mines-Australia). lected Market Trust Ptg. Red. Prf. (Trusts, Finance, Land). VNU (Overseas-Amsterdam).

McCleery closing acrylic yarn side

The Ulster-based McCleery L'Amle Group is to close its acrylic yarn manufacturing activities because of unacceptable losses. About 180 workers at its factory at Saintfield, near

Belfast, will be made redundant. High bulk acrylic yarn operations under the group's sub-sidiary, McCleery and L'Amie, have become increasingly un-profitable over the last three years because of over-capacity in this sector and strong competi-tion from Far Eastern manufacturers.

The group said that, as re-ported in the interim statement ast October, it had proved impossible to recover large increases in labour and other costs. Losses in the subsidiary had reached an unacceptable level and future prospects did not justify new capital invest-

About 80 employees at Saintfield were paid off last October as losses mounted. The group as losses mounted. The group
says that efforts to find.
a solution during talks with the
Northern Ireland Department of
Commerce proved unsuccessful.
Pre-tax profits of the McCleery L'Amie Group in the half year to June 30, 1979, tumbled from £397,000 to £34,000, on turnover of £9.35m (£9.27m).

tirely on the group's trading performance from now onwards. says Mr. S. Crookenden, chairman, in his annual statement. The net dividend for 1978-79

is being raised 20 per cent to 5p (4.1521p), in line with the forecast made at the time of the

gratia payment of £24,000 was made to a director during the

The chairman said in his pre liminary statement that recovery from the engineering dispute level of interest rates had led many retailers and distributors to work on lower stock levels. These factors were severely affecting trading in the current

MAM expects similar year

Tom Jones and Engelbert Humperdinck in the current year, Mr. Gordon Mills expects that profits in 1979-80 are unlikely to differ materially from the £3.12m earned last year.

In the current year, MAM is due to receive a grapher per different parts. due to receive a smaller per-

live performance earnings in accordance with agreements which took effect on August 1, But the chairman says that the popularity which these two per-formers continue to enjoy in the U.S., as stage performers ensues that "even at these reduced levels, we will continue to receive

The final consideration now payable amounts to £482,316 of which £251,739 is to be paid in cash and the balance is to be satisfied by the issue to the vendors of 152,700 fully paid ordinary shares of MAM. In the year to July 31, 1979, MAM pre-tax profits had increased from £2.79m while earnings per share were 25.5p compared with 23.6p.

Caution at

reorganisation at the Aldridge plant has been completed.

SPAIN			т. 25
19	379		nice
High	Low	-	%
310	200	Banco Bilbao	209
353	204	Sanco Central	226
232	199	Banco Exterior	211
226	200	Banco Hispano	210
174	135	Banco Ind. Cat	135
213	175	Banco Madrid	175
348	203	Banco Santander	245
280	180	Banco Urquijo	- 160
	202	Banca Viscous	215
285		Banco Vizcaya	
261	195	Banco Zaragoza	200
220	100	Dragados	101
. 59	58	Espanola Zinc	60
67	49	Fecsa	56.7
76	23.5	Gal. Preciados	35
77.5	52.75	Hidrola	62,5
76	52	Iberduero	62
178	110	Patrolegs	115
135	73	Petrolibar	73
130	115		115
	53	Segatisa	56.5
82			
69.7	55	Union Elect	62.7

Assd. Sprayers sees static first half

THE DIRECTORS of Associated when pre-tax profits were £187,000, says Mr. H. E. Newton-Mason, chairman, in his annual

He explains that autumn 1979 was difficult. The trade was holding exceptionally heavy stocks, there was no television advertising and the weather was unseasonably warm. inevitably, sales were affected.

Looking further ahead, the directors are confident of the group's competitive vigour and financial strength. Should the country be entering a period of economic difficulty, the group will survive it and emerge relatively stronger than many competitors, the chairman adds.

However there are grounds for believing that the areas the group serves—gardening and the DIY market—will remain relatively unaffected by any downturn in the economy, he continues. The directors there-sales towards the end of the fore view the future with con-year, stocks of finished products The directors expect a positive

profit contribution this year from the garden products business of Kirk-Dyson Design, acquired last December. They are sure it has

Sprayers do not expect first-half issue is also proposed, up to trading to show any improve two-thirds of which will be availment over last year's results, able in deferred shares. The when pre-tax profits were chairman explains that, if fully taken up, the new class of 20p deferred shares will therefore represent 25 per cent of the company's capital by number or

50 per cent by value. The deferred shares will not rank for dividends for periods ending before September 1, 1989. But, after the annual meeting in 1990, each deferred share will become two ordinary

10p shares. Directors and their associates, holding 20 per cent of the com-panies' present capital, intend

to opt for deferred shares. The chairman says the substantial investment programme mentioned in his last report added £491,675 to the value of fixed assets during 1979. A still heavier programme lies ahead for 1980, both in the extension of production facilities and in

tooling for new products.
With the slowing down of sales towards the end of the were much higher than at August 1978. Debtors were well controlled. The year end creditor level was unusually high because of some heavy capital equipment items involced near

pre-tax profits advanced 56 per cent to £622,833 in the year to August 31, 1979, as reported on December 17. Sales totalled E.55,000 at August 31. This figure is unlikely to be matched to £6.51m (£6.72m). The net dividend is effectively raised to 2.5p (1.6667p).

Burco Dean dividend policy

THE LEVEL of future dividends plant has not been completed. at Burco Dean will depend enlems which could arise if the high interest rates do not fall soon, leads Mr. D. M. Dean, chairman, to believe it would not be wise to forecast full-year

rights issue last January, despite severe losses suffered through

Pre-tax profits fell to £1.17m (£1.63m) in the year to September 30, 1979, on turnover of £28.51m, against £27.8m—as reported on December 14. The engineers' dispute cost the group £1.4m in lost turnover, resulting in profits being \$350,000 less than expected.

The chairman says that the repayment of the £2m medium-term loan was offset by a similar increase in bank borrowing. The net inflow of funds generated by the rights issue amounted to £1.2m and this has been largely absorbed in increased working capital, caused mainly by indusaction in August and September.

The accounts show that an ex-

Despite the fact that Management Agency and Music will receive less of the earnings of centage of the two major artists'

from them a significant contri-bution to profits." In accordance with the agreement dated July 2, 1973, the group is about to acquire the out standing 10 per cent of the share capital of Kingsmead Hotels which will thus become a wholly-owned subsidiary.

Deanson

THE PERFORMANCE of the print division of Deanson (Holdings) may be affected in the current year by the fact that the

3FAIN			امحا
44	379		п. 25 лсв
High	Fom	,	%
310	200	Banco Bilbao	209
353		·······	226
	204		211
232	199	Banco Exterior	
226	200	Banco Hispano	210
174	135	Banco Ind. Cat	135
213	175	Banco Madrid	175
348	203	Banco Santander	245
280	150	Sanco Vrquijo	160
265	202	Banco Vizcaya	215
281	195	Banço Zaragoza	200
220	100	Dregados	101
. 59	58	Espanola Zinc	60 ∣
67	49	Fecsa	56.7
76	23.5	Gal. Preciados	35
77.5	52,75	Hidrola	62.6
76	52	lberduero	62 1
178	110	Patroleos	115
135	73	Petroliber	73
130	115	Sogafiaa	115
22	53	Telefonice	56.5
89.7	55	Union Elect	62.7
			· i

The chairman says that the profits shown by this method— This, coupled with the probin line with the interim recommendations of the Accounting Standards Committee—are worse than they really appear. This is due to the effect non-recurring costs have had on profits during However, he says in his annual

the year. statement that the group has been strengthened and should he Further substantial capital spending has been approved able to withstand most of the mainly for new machinery for the Aldridge plant as part of the reorganisation. Expenditure conproblems which may arise in the Pre-tax profits edged ahead from £201,732 to £215,314 in the tracted for at year end was £292,000 (£48,701).

At balance date, bank overreported on December 14. On a CCA basis, the taxable surplus is cut to £70,297 (£126,881). draft amounted to £211,010 (£44,741). Bank borrowing increased by £166,269 (£15,921).

year to September 30, 1979, as

Martin the Newsagent Limited Multiple retailers in news, tobacco, confectioners, stationers and associated products

Results at a glance	-in£	M
	1979	1978-
Sales	85-93	76.52
Profit before tax	3.36	3.16
Earnings per ordinary share	45·1p	35-8p
Net dividends per ordinary share	8-50p	7-37 _p

- * Sales for the first ten weeks of the current year show an increase of 13%.
- * Expansion continues with the purchase of established stores, fitting out of new sites and the redevelopment of existing
- * New corporate image being introduced to develop high street trading.

Chairman, Mr J B H Martin "looks forward with confidence to the challenge of the 80s."

Copies of the Annual Report and Employee Recien are as from The Secretary, Martin the Naziagem Limited, Mart Asknolls Road, Brentwood, Essex CMIS 9SF.

nt is issued in compliance with the require Council of The Stock Exchange, It does not constitute an invitation to env person to purchase any shares.



Uncorporated in England under the Companies Acts, 1908 to 1917, No. 201071)

480,000 3.85 per cent. Cumulative Preference Shares of £1 each have been admitted to the Official List by the Council of The Stock Exchange.

Particulars of the Company and of the rights attaching to the 3.85 per cent. Cumulative Preference Shares are available in the Extel Statistical Service and copies of such particulars may be obtained during usual business hours for the next fourteen days from:

Panmure Gordon & Co.. N.M. Rothschild & Sons Limited, 9 Moorfields Highwalk. New Court, St. Swithin's Lane, London EC4P 4DU. / London EC2Y 9DS.

M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8EB Telephone: 01-621 1917

Last Change Gross price on week Div (p) £000° s capitalisatn Airsprung
Armitage and Rhodes...
Bardon Hill
Deborah Ord
Deborah 17% CULS
Frank Horsell
Frederick Parker
Cooms Blair 4,220 975 -1 +2 -2 +2 13.8 5.0 17.5 7.9 12.8 6,835 700 3,524 15,602 2,257 1,550 15,872 2,550 3,431 4,888 2,075 7,182 George Blair
Jackson Group
James Burrough
Robert Jenkins 1121-1-11 Torday
Twinlock Ord
Twinlock 12% ULS
Unilock Holdings Accounts prepared under provisions of SSAP 15.

DELSON

"The considerable upturn in business in the second half of the year has enabled us to finish the year with a pre-tax profit of £142,741 following a very disappointing first half."

Kenneth Frazier, F.C.A., Chairman

COMPARATIVE FIGU	JRES	31.7.79	31,7,2
Turnover Profit before tex Profit after tex	£	5,937,597 f 142,741 140,398	6,600,25 102,22 98,25
Dividend per share Earnings per share		1,6p 5.6p	118 319

Copies of the Report and Accounts are available from

the Company Secretary, Delson & Co Ltd, Latimer

Road, Alvechurch, Birmingham B48 7NR.

U.S. \$20,000,000

Kay Capital N.V. **Guaranteed Floating Rate Notes** Due 1985

Kay Corporation

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period from 28th January, 1989 to-27th April, 1980 has been fixed at 153% per annum. On 28th April, 1980, interest of U.S. \$388.65 per Note will be due against coupon No. 3.



J. Henry Schroder Wagg & Co. Limited Reference Agent

PETROLEOS MEXICANOS

US\$100,000,000 Floating rate notes 1984 For six months

24th January 1980 to 24th July 1980 In accordance with the provision of the notes notice is hereby given that the rate of interest has been fixed at 14 13-16% per

By: Chemical Bank, London (Agent Bank)

FINANCE FOR INDUSTRY TERM DEPOSITS: Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 15.2.80.

Terms (years) 3 4 5 6 7 8 9 10 Interest % 131 131 131 131 131 131 14 14 14 14 Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SEI SXP (01-928 7822 Ext. 367). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

PLANT & MACHINERY

1) ROLLING MILLS

12in x 30in x 35in wide x 400 hp Four High Reversing Mill 5in x 12in x 10in wide variable speed Four High Mill. 3.5in x 8in x 9in wide variable speed Four High Mill. 10in x 16in wide fixed speed Two High Mill. 10in x 12in wide fixed speed Two High Mill.

6in x 6in x 20in wide Four High Mill.

2) CUT/LENGTH LINE 1,500 mm x 3 mm x 15 ton coll. 3) CUT/LENGTH LINE 1,000 mm x 2 mm. 4) CUT/LENGTH LINE 750 mm x 2 mm.

5) GUT/LENGTH LINE 400 mm x 3 mm.

6) WIRE FLATTENING AND NARROW STRIP ROLLING MELL two stand by R.W.F. 10in x 8in rolls.

7) SLITTING LINE 920 mm x 10 ton coil by Cam. 8) SLITTING LINE 300 mm x 1 ton coil by Cam.

9) SLITTING MACHINES 36in and 48in by Weybridge. 10) PLATE SHEAR 4ft x lin Cincinnati.

11) GUILLOTINE 8ft x 0.125in Pearson.

12) No. 1 FICEP SCRAP SHEAR, 75 x 35 mm Bar. 13) SHEET LEVELLING ROLLS, 920, 1,150 and 1,850 mm wide

14) HYDRAULIC SCRAP BALING PRESS. Fielding & Platt. 15) FORGING HAMMER 3 cwt, slide type. Massey.

16) VERTICAL WIRE DRAWING BLOCKS 24in dia x 25 he Farmer Norton.

17) AUTOMATED COLD SAW, non ferrous. Noble & Lund:
18) WIRE DRAWING MACHINE MARSHALL RICHARDS VARIABLE SPEED 6 BLOCK PACEMAKER (25 hp x. 22in in line. 1-slip Drawblocks). 19) 1972 WIRE STRAIGHTEN AND CUT-TO-LENGTH MACHINE

Capacity 10 mm dia. m.s. 20) TWO HORIZONTAL DRAW BLOCKS 36in and 24in. Farmer

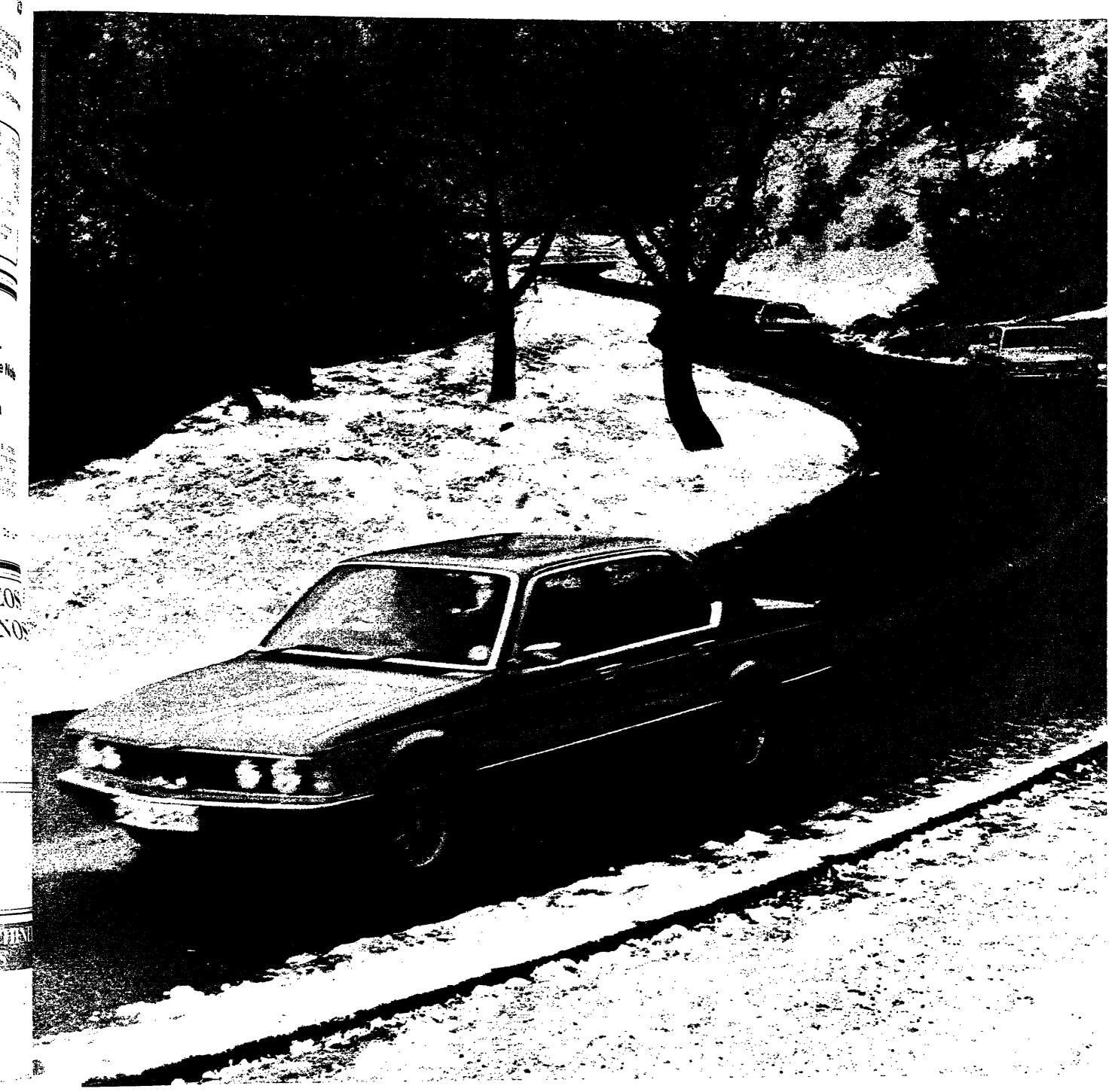
21) WIRE DRAWING MACHINE 9 DIE cone type. Unity. 22) WIRE DRAWING MACHINE 15 DIE cone type. Machille 23) NINE BLOCK WIRE DRAWING MACHINE AND SPOOLER

by Barcro (24in x 25 hp drawblocks). 24) TWO TAPE ROLLING MILLS by Deco (150 x 100 min x 15 hp rolls and 110 x 100 mm x 10 hp rolls). 25) HIGH SPEED AUTOMATIC CENTRELESS BAR TURNING MACHINE (1977) max, capacity 38 mm bar.

Wednesbury Machine Co. Ltd. Oxford Street; Bilston. Tel: 0902 42541/2/3. Telex: 336414

WICKMAN I SSP AUTOMATIC, reconditioned to maker's limits WICKMAN 1 6SP AUTOMATIC, Rebuilt to maker's limits WICKMAN 2 65P AUTOMATIC, reconditioned to maker's finish. CONOMATIC 31 6 SPINDLE, reconditioned to maker's limits. RHODES 80 TONE PRESS, adj. stroke, roll feeds. As news HME 200 TONS PRESS TYPE CZ8, roll feeds. Excellent. NATIONAL COLD HEADERS in x in dia. Recond, Excellent 200 TON HYDRAULIC PRESS, bed 36in x 22in. Excellent. 450 TON HYDRAULIC PRESS, bed 36in x 24in. Excellent AIR COMPRESSORS (2) 400 p.s.i. 400 c.f.m. Oil free, 3-stage 1,000 h.p. motors. Complete installation including air receivers. Can be inspected under power.

Rolls Tools Ltd. 154/6 Blackfriers Road, London SEI SEN Tel: 01-928 3131. Telex: 261771.



IT PASSES JAGUARS, MERCEDES AND PETROL PUMPS.

HAW 735-CUSTS 615.300.95. PRICE INCLUDES: CAR TAX, VAT AND FRONT AND REAR SEAT BELTS, NUMBER PLATES, ROAD FUND LICENCE AND DELIVERY CHARGES EXTRA. PRICE CORRECT AT TIME OF GOING TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC MERCEDES 350 SE TAKEN FROM 'MOTOR' TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC MERCEDES 350 SE TAKEN FROM 'MOTOR' TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC MERCEDES 350 SE TAKEN FROM 'MOTOR' TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC MERCEDES 350 SE TAKEN FROM 'MOTOR' TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC MERCEDES 350 SE TAKEN FROM 'MOTOR' TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC MERCEDES 350 SE TAKEN FROM 'MOTOR' TO PRESS. FOR FULL DETAILS WRITE TO: BMW (GB) LTD. MARKETING DEPT, ELLESFIELD AMENUE BRACKNELL, BERKS, FIGURES COMPARING 5 SPEED BAW 735; WITH AUTOMATIC JAGUAR XJ 5 3 AND AUTOMATIC JAGUAR XJ 5 AND AUTOMATIC JAGUAR XJ

Followers of the BMW 7 Series (and it's an easy car to find yourself following) won't

believe this. But we've found no less than 45 ways of improving it.

Cleverest of all, we've made the new BMW 7 Series faster and slower at the

same time. First, all the new BMW 7's have fuel injection.

So they are all faster than ever off the

With a 0-60 mph in 7.3 seconds, the

manual 735i leaves the 12 cylinder Jaguar XJ 5.3 and Mercedes 350SE struggling to

And all the new BMW 7's are slower to the petrol pump.

keep up.

Every gallon you buy squeezes a little more out of the nation's fuel resources. Motor was able to get 18.5 mpg from the BMW 735i and only 119 mpg from the Jaguar XJ 5.3 and 13.5 mpg from the

Mercedes 350SE (For the last two, of course, Motor had no choice but to use automatics.)

In part, the modest thirst of the BMW 7's is due to the fuel injection, in part because the cars are now lighter.

And, in the case of the 732i, in part because of the remarkable motronic system.

That's a micro-chip computer which can tune the ignition 100 times every second. (A slight improvement on tuning it every 10,000 miles!)

It means the car will always give of its best, whatever the conditions, however you drive it, and however long.

And that still leaves 43 other improvements to appreciate in the new 7 Series.

Some big, like the 5 speed gearbox that's now available.

Some small, like the heated door lock. Some thoughtful, like the specially designed dashboard.

But all very welcome changes.

Except to our friends at Jaguar and Mercedes.

THE ULTIMATE DRIVING MACHINE

Lead manager

(Europe)

S. G. Warburg

Deutsche Bähl

100

99.95

134

17

Daiwa Europe NV

Nikko Secs., Merrill

Lynch, Nomura

CURRENT INTERNATIONAL BOND ISSUES

Amount Maturity Av. life Coupon Price

1995

1987

1990

1984

1986 1985

1985-86

1990

1983

23.5

125

years

INTERNATIONAL BONDS

New softness in hard currencies

THE DOLLAR sector of the reportedly selling well. Bankers ment paper which offers a yield bankers cannot explain the commodities and gold and silver bond market came alive on know, however, that Ministry of 5.22 per cent. Friday at the end of what had of Finance in Oslo has no intenbeen a very sleepy week as tion of granting banks permis- on eight-year Swiss bank cash of up to two points on the day than on a highly selective basis. 4.25 to 4.50 per cent today and in the wake of renewed fears of A Norwegian krone sector is 12-year Swiss Government a sharp rise in U.S. interest therefore unlikely to develop. rates. (See U.S. bonds.)

Meanwhile, the Deutsche-mark

rates. (See U.S. bonds.) by investors in acquiring any looking too healthy at present. dollar paper, is not, however, leading them into buying hard currency bonds in any quantity. True, the second ever public issue denominated in Norwegian krone. NKr 100m ten-year issue carrying an indicated coupon of 10} per cent, was announced for the City of Oslo and was buy three-month Swiss Govern- nature of the Philips name,

RECYCLING

PERHAPS YOU thought the group of OPEC countries was the largest net depositor of funds

system? Wrong: Switzerland is, with net deposits in June, 1979,

of over \$80bn. Perhaps you thought that Brazil was the

largest net bank borrower?

Brazil running it a close

These, and other strange

attempts to quantify sources and

uses of funds in the Euro-

lodged in trustee accounts

in Switzerland by depositors all

181.0

31.1

459.5

SQURCES

E. Europe

European area
OPEC
Non-oil LDCs
Offshore cntrs

United States
Unallocated ...

the largest net depositor of funds heavy Euromarket borrower in the international banking because its large current

Wrong: Japan is, with net debt to the "broadly defined Euro-at the same date of \$25bn and market," which includes the

revelations come from the latest Statistics here are imprecise, so

Amex Bank Review which the bulk of Amex Bank's analy-

currency market and to project the European reporting area. them to the end of the current The table thus ignores the flows

The explanations for the such as direct lending by U.S. Swiss pre-eminence is that funds banks to the third world.

over the world, including • Excluding the contribution OPEC, are treated as Swiss via Switzerland, OPEC will money in international banking supply funds directly to Euro-

EURO-DEPOSITS AND LOANS

Dec. on 1960 1880 1979 235.0 ÷54.0 98.6 ÷30.0 38.0 -8.0 64.0 +7.1 7.2 -1.0

55.5 7.3

555.6 +95.1

+3.4

+10.0

countries.

offshore

tions are:

European area OPEC Non-oil LDCs Offshore corrs.

E. Europe . ..

Japan United States Unallocated ...

TOTAL

The lack of interest displayed and Swiss franc sectors are not Falls of about 21 points were posted in Swiss franc bonds last week and Swiss bankers are Nippon predicting further falls. They point to the inversed yield curve which is developing on

Who will borrow what

that Japan emerges as such a

account deficit is financed in

dollars rather than by a build-

up in the yen holdings of other

offshore deposits and loans of

banks in the U.S. and in the

banking

sis concerns the non-domestic

loans and deposits of banks in

of funds which bypass Europe,

Amex Bank's chief projec-

39.7

28.5 32.8 5.0

459.5

centres.

Both these observations apply

At the same time the coupon

bonds are still yielding around 4.50 per cent

Yields available on foreign Swiss Franc bonds, meanwhile, present a confused picture. Thus the 41 per cent bond for Telephone to 1989 yields 6.06 per cent, while a similar maturity 5 per cent bond for Philips Lamp offers a different forms of Swiss franc return of 5.03 per cent. Even instruments: thus investors can allowing for the household

new borrowing, in 1980 com-

(sources minus uses in the

table) of \$65bn. Part of the

funds directly in the U.S.

The impact of the \$70bn

current account deficits fore-

demand for an extra \$20bn in loans from banks in Europe

and a reduction of \$8bn in their

deposits with those banks. In

addition, and not included in

the table, will be additional loans of \$12bn from off-shore

European countries will

horrow a substantial \$29.4bn on

the Euromarkets in 1980.

roughly double last year's figure,

but, mainly because of Switzer-

deposit an additional \$54bn with

Eurobanks, thus remaining a

large net depositor with the

the European area will

BY NICHOLAS COLCHESTER

(LDCs)

banking centres.

size of differential. the Swiss inflation rate and bonds issued during the past straight dollar bonds posted falls sion to issue such bonds, other bonds will be increased from interest rates will go up. They month, which rose to DM1.14bn argue that many investors, not with the DM20m private placeleast Swiss, have yet to realise ment Commerzbank arranged for that the country had "joined ASICS last week, German the inflationary group of coun-bankers doubt whether such a tries." Hence investors con-tinue to buy bonds, attracted

by the steadily rising coupons

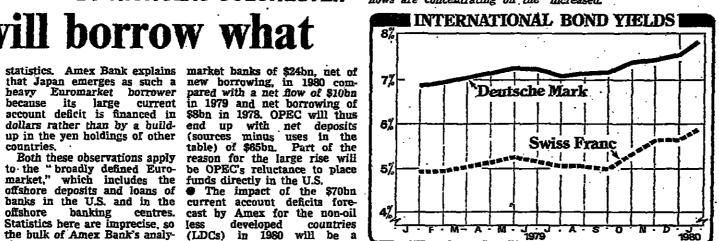
offered by borrowers.

Borrowers, meanwhile, are piling in, before interest rates and coupons reach new highs. second bonds" last week, the German foreign bond market is not wit- Because of lack of investor nessing any rush of funds from flows are concentrating on the increased.

markets. Despite the record Swiss bankers are agreed that volume of new foreign D-Mark large calendar could be absorbed by the market next month.

BY FRANCIS GHILES

The German Capital Markets Sub Committee meets in Frankfurt today to set a figure of new issues for February. D-Mark foreign bond prices were a frac Despite the success of the tion down on the week with econd tranche of "Carter many recent issues standing at discounts of 1-12 per cent. demand, the two issues priced foreign investors. Speculative last week had their coupons



BY DAVID LASCELLES

Cold war brings the shivers

Borrowers

U.S. DOLLARS

<u>‡§Ajinometo Co. Inc.</u>

†Nippon Credit Bank

‡Oesterrich, Kontrbk.

*Asics (g'teed Taigo

Kobe Bank)

SWISS FRANCS **Autopistas del Mare Nostrum (60%

g'teed Spain) ‡**Oesterreich. Kontrik.

*Kingdom of Sweden
*Autopistas Yasco

Aragonesa (60%

(g'teed Austria)

g'teed Spain) Kingdom of Swe

Citicorp O'seas Fin.

*Westland-Utrecht

Province of Quebec

NORWEGIAN KRONER

Hypobk.
**Westland-Utrecht

LUXEMBOURG FRANCS

§Takyo Style *§Gunze Sangyo

Corp.

Hypobk.

GUILDERS

City of Oslo

LADE

YEN

(g'teed Austria)

Judand Telephone Co.

Fin. NV

D-MARKS

Sankyo Electric

Amex Bank illustrates the impact of these demands on THE sky has suddenly darkened for some days because of events points in hectic trading con-over the U.S. credit markets. in South-West Asia. But the ditions. European banks by pointing out that non-oil LDC's had vir-Where only three weeks ago tually no net debt with European' there were hopes that interest banks in June 1979 - their rates had peaked and that the loans were almost matched by economy might finally slow down and ease inflationary deposits - but that by the end of this year their net indebtedssures, the mood is now ness will have increased to profoundly pessimistic.

u.s. Bonds

Last week brought a slide in prices comparable to the rout that followed the Fed's October 6 credit package. And with most major long-term bond issues now trading four or five points below their level two weeks ago. yields in many sectors are back at record highs.

The markets had been uneasy

downward break was triggered by President Carter's State of Union address on Wednesday. The tough stand he took against Soviet expansion into Afghanistan was read by the markets as presaging another era of high defence spending. hence soaring government deficits and inflation, and artisustained economic

In fact, many economists pointed out that this "cold war" market was unlikely to evolve quickly because of the long lead-times in defence defence spending. But speculators needed little encouragement to sell; and Thursday went down as one of the worst days in recent memory. Many long bonds lost as much as two

That was not the end of the the movement is occurring at had news. The money supply figures were far worse than had been expected: M1 was up \$1bn and M2 rose by \$2.5bn. The economy continued to show strength with a 0.6 per cent rise in durable goods orders for December, with the consumer price index spurting 1.2 per cent, bring the total for 1979

U.S. YIELDS

Three-month Treasury bill 12.30 13,93 10.85 Treasury 30-year 11.63

to 13.3 per cent.

The striking feature of the last week, saying it was too market, though, is that most of expensive). But the steadiness of short the long end. Short-term rates rates did not prevent two large New York banks, Citibank and have been relatively stable, mainly, it would seem, because the Fed is trying to accommo-Bankers Trust, from raising their prime rates back to 15 date whatever upward pressures

are developing there. The central bank intervened several times last week to stop the Fed funds rate going above 14 per cent. And although it emed likely at one time that the Fed might have to increase the discount rate, this did not focusing on Wednesday's anhannen. One reason could be that the monetary aggregates' growth is still on target, despite the sharp rise on Thursday. Another factor is the Fed's con-

cern that a further rise in the

discount rate would drive yet more banks out of the Fed

brethren had held during the brief decline at the end of last year. Their action seemed to symptomise the new expectation that rates are back on the up again.
This week, the market will be nouncement by the Treasury of details of its February quarterly

refunding. Chase Manhattan Bank, in its money market report, predicts this will consist of a three-part \$700 package. with \$3bn in 31-year notes, \$2bn in 71-year notes, and \$2bn in system (two large banks quit 30-year bonds.

FT INTERNATIONAL BOND SERVICE

1980 on Dac. 1979 ÷ 29.4 +5.0 +20.0 +20.0 +3.0

+1.3

\$48bn.

Dec. 1980 185.0 33.0

46.5

36.5 34.1 7.0

555.6 ÷96.1

11 0 00114P		Change on
U.S. DOLLAR	_	_
STRAIGHTS	Issuec	
Alcoe of Australia 10 89	60	874 874 -14 -24 12.32
Alex Howden XW 912 91	30	76 78 -04 +04 13.56
Aquitaine Can. 114, 85	30	94 942 -05 -15 12.88
Australian Res. 95 84	30	90 90 -0 -1 12.54
Avec 0/5 Cap. 10 87	40	179 73 -14 -24 15.09
Beneficial Fln. 94 87	100	864 864 -1 -24 12.61
CECA Grad. Reta 12 86	100	954 96 -04 -04 12.98
CECA 94 99	125	1774 784 -1 -2 13.26
Canadian Pacific 94 89	50	864 864 -04 -24 12.24
Certer Hawley 94 86	50	864 864 -14 -24 12.93
Comelco Inv. E. 104, 91	40	874 874 -14 -24 12.32
Continental Grp. 9% 86	100	87 87 -1 -2 12.57
Dome Petroleum 10 94	50	831, 84 -11, -31, 12,45
Dominion Bridge 104 84	30	917, 927, -01, -21, 12.65
EIB 114 92	80	927, 937, -01, -37, 12.88
E(B 1D 99	150	817 827 - 7 - 27 12.81
EIB 10% 87	100	894 90 -04 -17 12.73 83 84 -1 -24 12.81
EIB 10.15 99	100	947, 95°, -0°, -0°, 12.33
Ekportfin 111, 87	50	90' 90' -0' -1 12.32
Export Dv. Cpn. 94 84 Export Dv. Cpn. 94 84	106 150	912 92 -04 -14 12.16
Finland \$5, 89		864 864 0 -07 12.42
CTC 5: 07 00	100	87 872 -13 -13 12.06
GTE Finance 94, 89 GMAC 94 86	55	864 874 -04 -17 12.27
GMAC 0/5 Fin. 11 84	100 103	954 954 - 14 - 14 12.39
Gould Int. Fin. 94, 85	50	894 894 - 14 - 24 12.65
ITT Antilles 912 88	75	84 8412 - 7 - 27 12.44
Kennecott Int. 92 86	100	1843 843 -07 -23 13.25
Manitoba 912 89	75	831 831 -11 -21 12.66
Michelin 10 94	125	251, 261, -01, -17, 12,07
Nat. Des. Telecm. 512 86	100	871 877 -14 -24 12.38
New Brunswick 94 94	75	824 827 - 14 - 24 12.41
Newfoundland 10 94	50	821, 827, -11, -21, 12.41 847, 851, -01, -31, 12.25
Norges Komm. 97, 99	700	844 85 0 +04 12.25
Norway 912 84	150	904 914 -02 -14 12 30
Nova Scotia Pwr. 91/2 89	50	837 844 -2 -37 12.73
Occidental Fin. 10% 84	50	947 95 +03 +07 11.82
Orient Leasing 912 86	25	884 894 +04 +04 12.02
Pennwalt O/S F. 9%-84	25	9012 91 -04 -113 12.60
Pepsico Cap. 94 84	100	914 914 -04 -07 11.98
Quebec Hydro 10 99	75	814 814 -14 -34 12.67
Sears Rocbuck 9 82	150	937, -01, -01, 12.70
Statoil 95, 89	100	854 857 -1 -24 12.24
Sweden 94 89	100	85 854 - 14 - 34 12.50
Sweden 912 86	200	894 501 -04 0 12.12
Sweden 91 84	100	91 2 92 -05 -15 12 17
Unifever NV 9% 87	100	86 881 -11 -11 12.12
Warner-Lambert 9 84	100	901, 905, -05, -07, 11.88
Average price change	05	On day -0¾ on week -1¾

Average price chang	Jug	UN Da	y —u	2) OH	WEEK	-14	۱
DEJTSCHE MARK				Char	ge on		Į
STRAIGHTS	lasuad	Bid	Offer	day	week	Yleid	ı
African Day, Bk, 8 87	100	97%	98%	-04	+0%	8.33	1
Argentine 74 89						8.87	[
Asian Dev. Bk. 74 89	100				-04		ſ
Barclays O'seas 6% 89					. – ož		ı
Brazil 8 87	150				-0-		ı
CECA 7 81	750	92%	93%	-04	, -OL	7.92	ŀ
Council of Eur. 74 89	100	945	957	+0%	+04	8.03	ł
EEC 77 94	225				+02		ŀ
EIB 7-2 89	200	967,	974	-0%	-04	8,00	1
Finland, Rep. of \$ 86	150				+1		1
Kobe, City of 74 89	150				0		ļ
Mitsubishi Chem. 612 84	70				+0%		1
Neder. Gasunia 8 86	100	1021,				7.47	Į
New Zealand 7 87	200				0	7.78	ı
Niopon Koken 62 84	100				0		ı
Nippon Tel. & T. 5 2 87	100				+0%		ì
Norges Komm. 72 91	150	98'.	39%	ተም	-07	7.84	ľ
Norges Komm. 87, 94	150				-04		١.
Narway 64 84	200				-0,		1
OKB 6 87	40	88	89		-04		1
OK8 74 89					-04		ĺ
Tokyo Elec. Pwr. 612 85	200				-05		ı
World Bank 74 91	400	96			+0%		ı
World Bank 7% 90					+0,"		1
Average price chang	es	On day	y — 0	a ou	week	-0-	1
							1

OKS 72 89	400 250	93½ 96	947. 967 ₂ 98	-04 -04	-0½ +0½ +0½ +0½	7.99 8.26 8.23
SWISS FRANC STRAIGHTS	latued	Bid (,	ge on Nack '	Yield
Argentine 5-2 89 Aumer 5 89 Australia 35-3 89 Bergen, City of 43-31 BNDE 5 89 BMW Overseas 43-31 Caisse Mat. Tele, 43-39 Canada 35-89 Capenhagen 45-31 Council of Eur. 5 89 EIB 45-91 EIB 45-91 EIB 45-91 EIB 45-91 EIB 45-91 ICI Fin. NV 35-94 Int. Amer. Dev. 47-89 Malaysia 5 89 Norges Komm. 45-91 OKB 33-91 OKB 33-91 OKB 33-91 OKB 33-91 OSIO. City of 43-91 Shikoku EI. Pwr. 43-89 Spain 4 91 Staweag 43-91 Voest-Alpine 43-89 World Bank 47-89 Voest-Alpine 43-89 World Bank 47-89 World Bank 47-89 World Bank 47-89	90 60 75 75 100 60 100 100 35 100 100 100 100 100 100 100 100 100 10	921, 89 89 84 82 90 85, 80 85, 80 85, 86 86 86 86 86 86 86 86 86 86 86 86 86	927 857 947 957 957 957 837 837 857 857 857 857 857 857 857 85			8.65.64 5.5.64 5.5.64 5.5.64 5.5.64 5.5.66 6.6.7 5.5.66 6.6.7 6.5.66 6.5.7 6.7 6.7 6.7 6.7 6.7 6.7 6.7 6.7 6.7 6
World Bank 4½ 89 World Bank 4½ 91 Average price change	150 100 15	901, 901, On day	905	-01 -05 -07 V	- 15	5.69 5.77 -24

	Change on
i YEN STRAIGHTS IS	ausd Bid Offer day week Yield
Australia 5.5 83	
Australia 64, 88	20 857, 867, 0 -04, 9.00
EIB 74 89	12 97% 98% +0% -0% 8.07
Finland 5,6 83	.10 89-, 90-, +0-, -0-, 8.90
Filliand 3.5 63	
Finland 6.8 88	10 87½ 88½ 0 -0½ 9.01
. Average price changes	On day 0 on week - 01
pe ununge	
ì	Change on
COTATA CTRACEUTO	Change on
OTHER STRAIGHTS IS	sued Bid Offer day week Yield
Avco Fin. 10% 86 CS	25 86% 87% -1% -1% 13,40
Bell Canada 104 86 CS	
Cr. Fonciar 10% 84 CS	30 90 90 - 03 - 03 13,28
Ex. Dev. Cpn. 10 84 C\$	50. \$13 924 -04 -04 12,47
For Can Inv 10 84 CC	50 901 91 +01 -01 12.89
Fat. Can. Inv. 10 84 CS Hudson Bay 10 ⁴ 2 89 CS	60 88½ 89 -0½ -1½ 12.61
HUUSUN DAY 10-2 CS	60 88 89 -07 -14 12.61
Quebec 10% 86 C\$	50 89° 90° -0° -0° 12.58
R. Bk. Canada 10 85 CS	50 85% 90% -0% -0% 12.58 40 90% 91% -0% -0% 12.09
R. Bk. Canada 10 94 CS	40 841, 85 -01, -01, 12.30
Consequence 63 04 504	
Copenhagen 8% 91 EUA	20 984 984 0 0 8.84
M. Bk. Dnmk. 9 91 EUA	25 †95½ 96¼ 0 +0¾ 9.53
SOFTE 84 89 EUA	40 8812 8912 0 -018 10.13
Algemene Bk. 84 84 FI	75 97 98 0 0 8.84
Amev 8-2 88 F1	75 971 98 -01 -01 8.95
Ned. Middbk, 84 54 FI	75 965 974 -04 0 9.17
	00 96 96 2 0 0 9.37
	00 96 96 0 0 9.25
Rebobenk 9 84 Fi	25 101 10112 -01 0 8.65
	20 97% 98% -0% -0% 11.58
Euratom 9½ 87 FFr 1	50 85 86 0 0 12.74 80 95 96 0 -0 12.27
Finland 11 84 FFr	80 95 96 0 -04 12,27
5:-11 441 00 5Fa	50 00 00 0 0 0 10.22
	70 94, 95, -0, 0 12.46
	50 974 984 0 0 11.65
IBM France 11% 84 FFr 3	20 984 97 -04 -04 12 79
Renault 94 85 FFr 7	00 881, 891, -01, -01, 12.63
Saint-Gobain 9% 86 FFr 1	30 85% 86% -0% 0 12.15
	50 83 84 +04 0 13.05
	25 874 877 - 04 + 04 13.70
Finance for Ind. 13 91 £	15 964 974 +04 +04 13.56
Fin 4-1-4 49! On 5	
	30 94 944 -04 -04 13.55
Gen. Elec. Co. 122 89 £	50 94% 95% 0 -0% 13.52
1 Indonésia 89, 91 KD	7 1927 933 0 -0% 9.76
Mitsuhishi 71, 84 KD	10 1951, 957, C C 8.69
	12 1934 937 0 0 8.51
HOTHER NOW 12 00 KU	
Occidental 84 81 KD	7 1904 90% 0 0 9.65
l Akzo 94 87 Lüxfr 5	00 947 957 0 0 10.12
Euratom 8 87 Luxfr 5	00 90½ 91½ ~0½ ~0½ 9.74
	00 93 100 -04 -04 9.84
	00 90½ 81½ C +0% 8.50
Volvo 9% 87 LuxFr 5	00 - 97°t 98°t 0 — 0°t 10.05
I .	
FLOATING RATE	
	ad Bid Offer C.dts C.con C.yld
Allied Irish Bk. 54, 87 0	4, 97°2, 98°8, 2/7, 15°4, 15.41
Banco di Roma Int. 6 87 G	
Banco Urquijo 6 86 0	2 4:2 4:3 6:14 15:2 10:10
Bank of Ireland 5% 89 10	974 974 21/2 15.69 16.09

FLOATING RATE							
NOTES	Spread	Bid	Offer	C.dta	C.con	C.vld	
Allied Irish Bk. 54 87.	•		983		-	15.41	
Banco di Roma Int. 6 8			100		151	15.77	
Banco Urquijo 6 85			977		1312	13.70	
			97%		15.69		
Bank of Ireland 5% 89			98		14.56		
Bank of Tokyo 5½ 89		97		20/4	141	14.65	
Barclays O/S Inv. 5 9			377	13/U	14.31	14.77	
Bergen Bk. A/S 6 89			97's :				
Bque. Indo Suez 5% 8			994		14.44	14,93	
Citicorp O/S F. 6 94	. #0%					14.60	
Citicarp O/S F. 83	.97U		200½ 2 39¾ 2		15%	15.14	
Citicorp O/S F. 84	. #V		33,4		15 15.06	15.08	
Co-operative Bk. 6 86	. 04	98					
Creditanstalt 5½ 91			9811		147	16.14	
CNT 5% 86			997,		15.19		
3ZB 5-1 89			987		16.19		
Jugobanka 8 89			937, 2			17.27	
nd. Bank Japan 5% 8			97% 1			14,63	
TCB Japan 54 86			98_1			14.58	
TCB Japan 55 89			977		14,19		
Mirs. Han. O/S 5% 94			99 2		13.81		
Midland Ing. Fin. 5 8			100% 2			15.02	
lacional Fin. 64 86			9874 2		14.69		
Vat. West. 54 94			381,		74.94		
Nippon Cred. Bk. 61- 86			97°L 1		14.44	14,79	
loyal Bk., Scot. 54, 94			98% 1			14.85	
oc. C. de Bque. 672 87			963,		134	13.73	
Sogenal 53, 89			27't		14.44		
weden 84 91	. ;0.		97', 1		34,44		
'VO Pwr. 9 91 (D-lock)	O.	975	981, 2	24/5.	15.31	15.65	
Vıltıamıs & Giyn 54, 91		965	97% 1	4/3	13	13,42	
kq. E. d'Alg. 44 89 SF		937	84 ¹ , 1	8/6	6.69	7.10	
Average price chan	ges	On da	y C or	Week	t 0	,	
CONVERTIBLE	~	~ .			~ -		
A/RVEKI IBLE	Cmv.	Lanu.			Cha		

Williams & Glyn 54 91	O24	965	97'- 14/3	13	13.42
Bq. E. d'Alg. 44 89 SF	ᅉ	937	94 ¹ , 18/6	6.69	7.10
Average price chang	ges	Ou qa	y C on we	ak O	•
CONVERTIBLE	Çnv.	Cnv.		Chg.	
BONDS	date	price	Bid Offe	r day	Prom
AGA Akt'boleg 73 89	10/79	145	101% 102%	-01 ₂ .	-10.46
Alco Int. Fin. 97 94	1/80	40	934 947		
Asahi Optical 7 94	11/79	606	944, 947	, -O-	11,28
Canon 6% 94	8/79	570	1021 1031		
Ciba-Gelgy O/S F, 4 94		675	96½ 87°		
Credit Suisse 43, 93		1325	110 1114	-04	-0.87
Daiei (nc. 6½ 941		1020	971, 981	+05	8.34
Esseite 74 89	9/79	158	92 94		
Honda Motor 512 89	5/79	532	1057, 1063		
UPC Internatril, 8 39		35	1090, 1100		
Meidensha Elec. 7 941		210	921, 931,		
Mitsubishi Cp. 61, 94	10/79	604	129 1301		
Nippan Seiko 74 941		339	941, 943		
Nitto Elec. Ind. 6 94		735	804, 811;		
Toshiba Con. 74 941	0/79	. 198	973, 981,		
Union Bk. Switz. 5 89	2/80	125	117 1124		
Funtsu 5 84 DM		475	984, 99		
Kansai Elec 4 84 DM		1234	857, 85		
Tokyu Ld. Cp. 4 86 DM	9/79	493	781, 79		
Uny Co. 67, 25 DM1	7/79	1071	941, 951,	-04	12.96

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BOND1	RADE	INDEX	AND Y	ELD
	Mediu	m term	Long	term
Jan. 25	90.40	10.5B	79,19	11.50
Jan. 18	90,89	10.41	20.63	11.20
High '79	91.03	(2/1)	81.19	(2/1)
.ow 79	- 90,40	(25/1)	79.19	(25/1)
EN	ROBON	ED TURK	iover	
(00	ominal	values i	n \$៣)	
LS. 5 box	nds.	Ce	de) Fi	Irōclear

EUROBUMD IONNOVEN								
(nominal values in \$m)								
.S. \$ bonds	Cedal	Euroclear						
st week	573.5	1,523.8						
revious week	794.6	1,785.8						
ther bonds								
ist week 🖖	361.7	315.7						
revious weak	254.8	306.4						

* No information availableprevious day's price. t Onl- one marke: maker supplied a price.

STRAIGHT DONDS: The pink! is the jield to redemption of the mid-price; the amount issued is in millions of currency units excent for Yen bonds where it is in billions. Change on week= Change over price a week earlier. FLOATING RATE NOTES:

Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dle=Date next coupon becomes effective. Spread = Margin above six-month rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day= Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem⇒Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale: Banque Internationale Luxembaurg; Kredietbank Luxembourg: Algemene Bank Nederland NV; Plerson, Heldring and Pierson, Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondtrade; Banque Française de Credit International: Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company: Dillon, Read Overseas Corporation; EBC; First Chicago: Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch: Morgan Stanley International; Nesbitt Thomson; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank: Strauss Turnbull and Co.; Sumitomo Finance International, S. G. Warburg and Co.; Wood Gundy.

Closing prices on January 25

October 1979

This announcement appears as a matter of record only.



République Unie du Cameroun

French Francs 500,000,000 Medium-Term Loan

Crédit Commercial de France

Continental Illinois Limited + Banque Canadienne Nationale (Europe) Banque Internationale pour l'Afrique Occidentale . Barclays Bank S.A.-Paris Crédii Lyonnais • Midland Bank France S.A. • Société Générale

as Managers

Deutsche Bank AG Succursole de Paris . Banque Européenne de Tokyo Banque de la Société Financière Européenne - SFE Group Banque de Neuflize, Schlumberger, Mailet • Crédit Agricole Union de Banques Arabes et Françaises - U.B.A.F. The First National Bank of Chicago • Bankers Trust Company Chemical Bank + Union Méditerranéenne de Banques

os Co-monagers

Banque Louis-Dreyfus . Crédit du Nord . Lloyds Bank International (France) Limited Banque Belge (France) S.A. • Banque Intercontinentale Arabe - Paris • Banco di Roma (France) S.A. Banco do Estado de Sao Paulo - BANESPA - Agence de Paris - Banco Pinto e Soito Mayor, Paris Branch Banque Industrielle et Mobilière Privée • La Compagnie Financière The Hong Kong and Shangai Banking Corporation . Middle East Bank (France) S.A.



Crédit Commercial de France

Januar &

WORLD STOCK MARKETS

	Financial Times Monday January 28 1980		
BOND ISSUES	Companies and Markets	WORLD STOCK MARKETS	17
720 A. S.	NEW YORK	An. , 1979-80 ; Jan 1 1979-80	IAPAN
	1979-90 Stock 255 404, 156 404,		### ### ### ### ### ### ### ### ### ##
oun	4676 40 Celaneae Corp. 4732 499 5934 Gannett	Secondary Seco	3.96 2.95.Sime Darby
	NEW YORK—DOW JONES Jan. Jan. Jan. Jan. Jan. Jan. High Low High Low o industr'is 878.11879.85 877.56 888.21 872.78 887.16 897.61 796.67 (111/75) (217)32 H'me B'nds 71.89 72.88 72.77 75.27 75.14 75.84 88.10 71.89 (25)1800 (27)2 Transport. 275.88 275.17 272.84 268.84 258.89 268.68 (25)1800 (27)2 Utilities 107.68 107.91 107.71 107.51 107.85 107.95 (27)2 (24)100 (28)4)89) (28)4/45 Trading Vol 6000's7 47.190 59,070 58,780 59,625 48,040 47,160 — — — — —	1979-80 1979	(Discount of 10%) BRAZIL 1979-80 jan-25 + or
L. Fa	Day's high 882,25 low 866.03 Jan. 18 Jan. 11 Jah. 4 Year ago (approximate process) Jan. 18 Jan. 11 Jah. 4 Year ago (approximate process) Jan. Jan. Jan. Jan. Jan. Jan. Jan. Jan.	Instructions Instruction	Prices Change Jan. 25 on the 1980 week Bank, Insurancy and Finance Bank Leurni le Israel 685 + 14 1DB Bankholding 546 + 10 Bank Happolim Br 811 + 12 Uniton Bk. of Israel Br. 691 + 7 United Mizrahi Bk 436 + 16 Hasanah Insurance Bk. 415 + 42 Gen. Mortgage Bk. Br. 521 4 "Tehahot" Israel Mort. Bank Br 401 + 30 Land Development Africe Israel Investment 1£ 10 630 + 52 Israel Land Develt. Br. 321 + 22 Proporty and Building 450 + 25 Public Utility Israel Electric Corpn. 480 +, 8 Investment Companies Bank Leurni Invest. 520 - 9 "Cial" Israel Invest. 559 - 42 Discount Invest 328 - 3 Commercial and Industrial Altiance Tire & Rubber 1,400 - 25 Elco Br 147 - 5 Argaman Textile Br 250 + 32 "Ata" Taxtile "B" 127.5 - 12.5 Amor. Israeli Por. Mills 651 - 49 Assis 288 + 8 Elite 319 + 15 Texa Rog 486 - 20 Fuel and Oil Delek 272 + 27 Source: Bank Laumi le Israel, BM, Tel Aviv. † Bid. † Buy onty. Spanish Prices, Page 14 NOTES:—Prices on this page are as quoted on the individual exchanges and are last traded prices. \$ Dealings suspended; xd Ex dividend. xc Ex acrip issue. xr Ex rights, xa Ex all.

UNION DE BANQUES ARABES ET FRANÇAISES - U.B.A.F.

US \$ 65,000,000

Floating rate notes due 1990

CREDIT LYONNAIS ARAB AFRICAN INTERNATIONAL BANK - CAIRO

ARAB BANK INVESTMENT COMPANY LIMITED FIRST CHICAGO LIMITED

LIBYAN ARAB FOREIGN BANK

ABU DHABI INVESTMENT COMPANY AMERICAN EXPRESS BANK INTERNATIONAL GROUP BANKERS TRUST INTERNATIONAL LIMITED BANQUE FRANÇAISE DU COMMERCE EXTERIEUR **CREDIT COMMERCIAL DE FRANCE** KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.

> **NOMURA EUROPE N.V.** SANWA BANK (UNDERWRITERS) LIMITED SOCIETE GENERALE DE BANQUÉ S.A.

Alahli Bank of Kuwait (K.S.C.) Albahrain Arab African Bank (E.C.) Algemene Bank Nederland N.V. Ai Saudi Banque Arab Financial Consultants Company S.A.K. Bache Halsey Stuart Shields Incorporated Banca del Gottardo Banco di Roma Bank of America International Limited Bank Leu International Ltd. Banque Arabe et Internationale

d'Investissement (B.A.I.I.) Banque Bruxelles Lambert S.A. Banque Intercontinentale Arabe Banque Internationale à Luxembourg S.A. Banque Louis-Dreytus Banque Nationale de Paris Banque Privée de Gestion Financière Banque de l'Union Européenne **Barclays Bank International Limited**

Bayerische Hypotheken-und Wechsel-Ban Aktiengesellschaft

Bergen Bank Berliner Handels- und Frankfurter Bank Caisse Centrale des Banques Populaires Citicorp International Group Crédit Agricole Credit Chimique

Crédit Industriel et Commercial Dai-Ichi Kangyo Bank Nederland N.V. Daiwa Errone M.V. Richard Daus & Co. Bankiers Den Danske Bank af 1871 Aktiese Den norske Creditbank DG BANK Deutsche Genossenschaftsbank Dillon, Read Overseas Corporation

Goldman Sachs International Corporation Gulf Rivad Bank E.C. Hambros Bank Limited Istituto Bancario San Paolo di Torino Kidder, Peabody International Limited Kredietbank S.A., Luxembourgeoise Kuwait Financial Centre S.A.K. Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Kuwait International Finance Co. "KIFCO" Lloyds Bank International Limited Manufacturers Hanover Limited Morgan Grenfell & Co. Limited National Bank of Abu Dhabi The Nikko Securities Co., (Europe) Ltd. Nippon Credit International (H-K) Ltd. Nippon European Bank S.A. Norddeutsche Landesbank Girozentrale dinaviska Enskilda Banken Smith Barney, Hanis Upham & Co. Société Centrale de Banque

AL UBAF GROUP

Sumitomo Finance International The Taiyo Kobe Bank (Luxembourg) S.A. Trade Development Bank London Branch **UBAE-Arab Italian Bank UBAF Bank Limited** Uban-Arab Japanese Finance Limited Union Bank of Finland Ltd.

Union de Banques Arabes et Européennes S.A.-Westdeutsche Landesbank Girozentrale

Dean Witter Reynolds International

The following is a record of the principal business and financial engagements during the week. The Board meetings are making for the purpose of considering dividends and official indications are not always available whether dividends concerned are interiors of finals. The sub-divisions shown below are based mainly on last year's timetable.

Sons LR. 5::PC letty Holys, Deb. 4'soc Co. Deb. Stk. 25sec ND & INTEREST PAYMENTS—

Date

Current

Feb. 6—8

rinaucial lilles modita, designer en 1991

Olympia

Harrogate

Paris

Paris

Sydney

Bahrain

Tel Aviv

Paris

Cologne

Dusseldorf

Atlanta, U.S.

Copenhagen

Earls Court

Earls Court Wembly Conference Centre

Hotel Metropole, Brighton

Cunard International, London

Wembly Conference Centre

Wembly Conference Centre

NEC Birmingham

NEC, Birmingham

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

HOTELYMPIA—International Hotel and Catering Exhibition (021-705 6707) (until Jan. 30) British Toy and Hobby Fair (01-761 7127) (until Jan. 30) Microsystems 80 Exhibition (01-281 8000) International Spring Fair (Consumer Goods) (01-499 7324) INFEX—International Floorcoverings Exhibition (01-236 0913) Interflow '80—Fluid Handling Exhibition (01-680 7525)

Craft's Dog Show (01493 7838)
INFO 80—International Business Computing, Word Processing and Information Exhibition (01-647 1001) International Men's and Boys' Wear Exhibition— IMBEX (021-705 6707) European Information Management Exhibition and

Conference (01-995 4806)
International Electrical Exhibition (0483 22288) International Instruments, Electronics and Auto mation Exhibition (021-705 6707) International Pneumatics and Hydraulies Erhibi-

NEC, Birmingham tion, including Compressors and Power
Transmission Equipment (021-705 6707)
Feb. 26—28 Drawing Office Show—DOMMDA (01-242 3621) NEC. Birmingham EXHIBITIONS

OVERSEAS TRADE FAIRS AND

Jan. 25—Feb. 3... International Green Week (01-540 1101).
Jan. 29—Feb. 1... Canada Farm Show International Stationery Show-SIPPA (01-439 3964) International Boat Show International Textile and Fabrics Trade Fair-Feb. 2-5 International Men's and Boys' Wear Trade Show (01-439 3964) International Jewellery, Gold and Silver Exhibition —Jewelmex (01-580 5816) Men's Fashion Show—PITTI UOMO International Games and Toys Exhibition (01-439 Feb. 9—15 Israeli Fashion Week (61-937-8050) Environmental Poliution Control Techniques Exhi-Feb. 11—14 Feb. 11—15 bition—ENVITEC (01-409 0956) International Paris Boat Show (01-439 3964)

- Middle East Machinery, Light Industry and Plant Feb. 11—21 Feb. 17-21

Maintenance Show (021454 4416)
Techex 80 World Fair for Technology Exchange International Men's Fashion Week (01408 0956)
World Fair of Technology Exchange—TECHEX Feb. 19—22 -----Feb. 22—24 -----Feb. 26—29 -----

Offshore South East Asia Exhibition (01-486 1951)

BUSINESS AND MANAGEMENT CONFERENCES CCC: Practical Guide to Standard Form of Build-

ing Contract (01-222 6362)

AMR: Finance and Accounting for the Nonlan. 30—Feb. 1... Financial Executive (01-262 2732) Oyez-IBC: Children in Tax Planning (01-242 2481)
ASM: The legal implications of engineering contracts (01-385 1992)
Admap: Classifying People (01-379 6576)
CCC: Absenteeism—Developing Company Policy
Within the Law (01-222 6362) AMR International: Positive Discipline (01-262 Feb. 11-12 RRG Conferences: Captive Insurance Companies Establishment, Operation, Management (01-236 AMR International: Energy Management in Build-Feb. 18--19 ings (01-262 2732)

ADMAP Seminars: Calculating the effects of adverrising—How useful are they to the advertiser? (01-379 6576) Feb. 19 The Economist: Joint-Ventures with the Chinese (01-839 7000)

(01-839 7000)

Moroccan Ministry of Trade and Industry in cooperation with UN Industrial Development
Organisation: International Industrial Investment Forum (01-584 8827)

FT Conference: Briffish Business Opportunities Feb. 26--27 Overseas (01-236 4382) FT Conference: Monopolies Mergers and Restric-Feb. 28-29

tive Practices (01-236 4382)

Lythe Hill Hotel, Haslemere London Press Centre, ECA Holiday Inn, NW3 Piccatilly Hotel, W1

Royal Garden Hotel, WS Europa Hotel, W1 Grosvenor House Hotel, W1

Portman Hotel W1 Cumberland Hotel Wi

Lygon Arms Hotel, Worcs

Cafe Royal, W1

Grosvenor House, WI

Financial Times Conferences

European Conference on Monopolies, Mergers and Restrictive Practices Munich—February 28 and 29, 1980 Professor Dr. Kurt Markert, Director, Bundeskartellamt, Berlin and

Mr. Gordon Borrie, Director General, Office of Fair Trading, UK, will speak at this conference, which will examine the more significant implications of new competition policies in a number of European countries and in the EEC and put delegates constructive proposals for action to benefit the longer term development of international trade in Europe.

World Motor Industry Conference—Geneva—March 3 and 4, 1980 Dr. Karlheinz Radermacher, Director of Development, Bayerische Motoren Werke &G will be speaking on "The Middle-sized Company—Can it Survive Alone?" and Miss Joan Claybrook, Administrator, National Highway Traffic Safety Administration, U.S. Department of Transportation will be discussing "Governments and the Motor Industry."

Cables: FINCONF LONDON

All enquiries should be addressed to: Financial Times Limited Tel: 01-236 4382 Conference Organisation Telex: 27347 FTCONF G

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London EC4P 4BY

(Advertisement)

DKB'S ECONOMIC JOURNAL

Pace of Japan's business growth in 1980 will dull from more credit curbing

unxiety ad economy 1980

Three factors are likely to determine the state of Japan's economy in 1980. They are: (1) the oil situation, (2) the world economy, and (3) steps the Japanese Government may take to run the economy.

Oil: In light of the current state of the world economy, the possibility exists that the tight supply conditions may be eased in the new year.

However, the possibility also exists that there will be another price hike in 1980, considering the unstable situations of oil producing nations in the Middle East and the increasingly protectionist attitudes being taken by practically all petroleum exporting nations.

World Economy: Practically all countries in the world are being plagued by inflation, although its seriousness differs from one country to another.

Under the circumstances. every country will, in all probability, tighten the money supply and the world's tempo of economic growth will slow down considerably.

Government Policy: As seen in the budget draft being formulated for fiscal 1980 (to begin in April), the government is expected to continue its stringent fiscal policy with emphasis on the recovery of balance in the national treas-

Therefore, the possibility that fiscal policy may stimulate the economy should be completely ruled out.

It is also expected that the government will continue to take its tight money policy at least throughout the first half of 1980, considering the current movements of prices in Japan. .

In short, it is expected that the tempo of Japan's economic expansion will slow noticeably, although business conditions will not abruptly worsen in the new year.

Following are brief comments on some important aspects of the Japanese economy in 1980:

Public Expenditures: As already noted, it is not expected that government expenditures and investments will play an engine role on the economy. Exports: Although the tempo

Kunia Lumpur, Jakarra, Manua, Melbourne, Syoney.

will slow considerably, it is expected that Japan's exports will continue to increase, due primarily to the weakened position of the yen on international currency markets and the drive for exports under the worsening domestic market

Imports: Because of stagnating domestic demand, import volumes would not show as high a rate of rise as in 1979, and receipts from abroad on the country's social account will contribute more toward growth of gross national product in real terms.

Private sector

Personal Consumption: Personal income will rise by about the same rate as in 1979 or only increase slightly. This is based on a belief that although the rate of the wage hike will be considerably higher than the 6 per cent of 1979, various allowances, including the traditional midyear and year-end bonuses, will not show any substantial rise, considering current

business performances. On the other hand, consumer prices are definitely on the rise, which is detracting much from the confidence of the consumer public in the immediate future. This in turn would force the consumer public to be much more cautious about spending.

All in all, private final consumption expenditures would rise by only 2 per cent or in the neighborhood - substantially ower than in 1979.

Home Construction: Signs are now clearer that private housing investments would show a significantly lower rate of increase than in 1979, due chiefly to increases in prices of tracts and construction mate-

Plant Investments: Private plant and equipment investments would slow down considerably in 1980, reflecting the stringent money conditions and the worsening economic environment, although some firms are eager to invest on the hasis of improving debt-to-

equity ratios. Inventory Investments: Under the business and money situations aforementioned, it is easy to predict that manu-

Head Office: 6-2, Micrunouchi 1-chomn, Chiyoda-ku, Tokyo 100, Japan, Tel. (03): 216-1111 Branches and Agencies at: New York, Los Amules, Ponamá, Dusceldorf, Taipei, Saoul, Singapore Representative Offices et: Chicago, Houston, Toronto, São Paulo, Mosico City, Caracoc, Frankfurt, Paris, Madrid, Beirut, Jakarta, Sydney Subsidiaries et: Chicago, Amsterdam,

Zürich, Hung Kong Affiliated and Associated Companies at: Rio de Janeiro, Luxemburg, Hong Kong, Bangkok, Singapore,

London Branch: Fifth Floor, P&O Bidg., 122-138 Leadenhall Street, London EC3V 4PA, England Tel. 01-283-0929 Landon Subsidiary: Dar Ichi Kangyo International Ltd., 1/3, College Hill, London EC4R 2RA, England Tel. 01-248-7021 London Affiliated and Associated Companies: Associated Japanese Bank (International) Ltd., European Brazilian Bank Ltd.

continue to be extremely cautious about stockpiling.

All in all, the tempo of growth of domestic demand will significantly slow down as opposed to a firm tone maintained throughout 1979. On the other hand, exports are anticipated to rise at a higher rate.

If there is no major increase in oil prices in 1980, the pace of wholesale price rises will slow down toward the year's end, and there will probably be a switch in economic policy.

It should also be noted that so-called frictions might be a serious problem in Japan's trade because Japanese exports are expected to increase under the generally stagnant economic situations of the world.

Business performances In the latter half of fiscal 1979 ending in March, the majority of businesses will show declines in profits but profits to be reported by them still will be at a high level.

However, business performances in fiscal 1980 would not continue to show rises as encouraging as in fiscal 1979, because of the worsening economic conditions.

Under the circumstances, the employment situation will cease to improve and it may deterio-

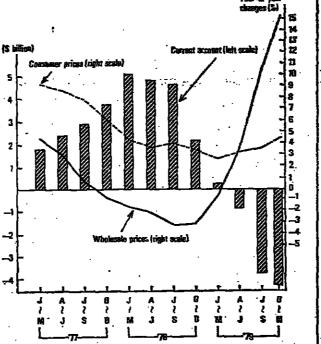
Balance of Payments: With rises in exports and slow import increases, deficits on the current balance would be substantially reduced, provided that there is no major hike in crude oil prices.

Prices: Although prices largely depend upon price movements of crude oil, it is expected that some stability will be brought about with the weakened position of the yen and the balance of payments situation. In other words, the nace of wholesale price increases will slow.

However, consumer prices will show an entirely different movement from 1979, reflecting increases in wholesale prices and hikes are planned for public fares.

The possibility cannot be ruled out that increases in consumer prices will be at nearly the same rate as income.

Quarterly Changes in Current Account and Prices



Money situation

The nation's monetary situation as a whole seems likely to tighten in the new year. As far as corporate financing is concerned, the new year's money demand is expected to calm down as a whole, as a rise in demand for funds to settle imports of higher price crude oil will be offset by an anticipated slowdown in demand for corporate investments.

Money supply to corporations is likely further to tighten in the new year because the Bank of Japan is expected to keep its tight money policy measures intact in an attempt to dampen upward commodity price

The money market also is expected to continue on a tight tone, reflecting the govern-ment's enforcement of its tight money policy measures. Interest rates thus are likely to continue on a firm tone throughout the new year.

No optimism is warranted for the bond market in the new year, because a large volume of government bonds is expected

to be issued as in 1979. The government thus is requested to implement proper measures to stabilize the government bond market in 1980.

An overview

In short, the Japanese economy in 1980 will face difficult problems, such as increases in consumer prices and a slow rate of expansion in domestic demand.

It is expected that the government will assign top priority in its economic policy to price stabilization. Depending on price movements, it is hoped that the government will be flexible in its monetary policy looking to halt the downward trend anticipated in business conditions in the new year.

Another task the Japanese economy faces in 1980 is to set a clearer and more definite medium-term outlook for all of the 1980s. It is faced with such serious problems as reconstruction of the national treasory. resources, energy, restructuring of industry, an older society.

The international bank with your interests at heart.



The next DKB monthly report will appear Feb. 26.

BY OUR INSURANCE CORRESPONDENT

of British industrial and com- ance for mercial activity, it does seem traveller. that an ever-increasing number of Britons are being sent abroad on missions of varying lengths. 'i am surprised to find, chatting to my acquaintances who get sent hither and thither, how little many of them know about he insurance protection that

has (or has not) been arranged. Lack of adequate staff communications may be the prime reason, but in some cases my guess is that the employers concerned have not thought through the need for proper protection for their employees and their families, or indeed for the organisation itself.

The organisation needs cover, just as it does at home, to pro-tect itself against loss of key, or near key, staff, whether by death or disablement and, par-ticularly abroad, against medical expenses incurred on employees' hehalf. And it needs protection against the extra travel expenses it will incur if an employee has to return home and another be sent Out -- or both.

Moreover, it is not only the overseas employee's life and health that must be considered - unforeseen family events may occur which require an employee's early return or replacement. Indeed, it is often a matter for debate (which can only be resolved having regard to the particular circumstances) whether the organisation is at greater risk if the employee on a long tour of duty leaves some, or all, of his family at home, or takes some, or all, with him

The organisation can insure on a group basis covering all employees, or in respect of particular individuals. Probably the best plan is to take a group policy of wide financial scope, to cover short and medium period trips, (say up to six months) to Lloyd's brokers.

DESPITE THE present low level and to arrange separate insur-

The group policy can be set up on a declaration basis, the organisation reporting monthly or quarterly on destinations and duration of trips, etc., and apart from a deposit premium, paying for cover actually enjoyed.

However wide the cover the organisation arranges for its the indemnities it provides for its employees in their contracts of employment, there will be many employees who want to buy extra insurance, perhaps against the range of perils in-sured by the organisation, perhaps against other perils

With staff welfare in mind, the organisation will usually find premium is lower if group cover is arranged for employees benefit, whether the premium is paid by the organisation or employees, though here again it is usually best to select out longterm travellers for special consideration.

However, for the employee the has to make his own individual arrangements, there are available policies such as the Norwich-Union's overseas policy—which can personal provide home contents cover, all risks insurance on personal valuable, disablement insurance and medical expenses for the whole family, and personal liability protection.

War risks, political risks, kidnap—all must today loom large in the minds of overseas travellers. Depending on the countries involved, it may be necessary for special cover to be the various financial risks either obtained. For the most part the companies prefer to exclude these risks, but there are Lloyd's underwriters who Lloyd's underwriters who specialise in providing such cover: so where it is required inquiries should be addressed

Historic gatehouse is saved

THE Madeley Court Gatehouse is a rare architectural masterat Telford, one of Shropshire's piece probably dating from the leading architectural attracleading architectural attrac-tions, is to be preserved. Tel- its distinctive features are its ford Development Corporation is to share with the Historic the arch which originally gave Buildings Council the cost of access to the courtyard." restoring the gatehouse, which has deteriorated to near the point of collapse

two polygonal towers framing The corporation hopes to see

the gatehouse and main court buildings developed as a hotel and restaurant. Negotiations Mr. Les Sparks, the corporation's Seven Gorge projects for private investment are in manager, said: "The gatehouse progress.

Business in **Parliament**

COMMONS-Debate on East-West relations and crisis in South West Asia. -Police Negotiating Board Bill, report. Represen-tation of the People Bill, third reading. Protection of Trading Interests Bill, second

reading. SELECT COMMITTEES—Home
Affairs, Subject: public order.
Witnesses: Home Office (4.30
pm, Room 8). Treasury and
Civil Service. Subject:
Efficiency in the Civil Service.
Witnesses: Paul Channon,
Minister for the Civil Service. Minister for the Civil Service (4.45 pm, Room 15). TOMORROW

COMMONS—Supply day debate on gas prices until 7 pm. Guillotine motion on Education (No. 2) Bill. Residential Homes Bill (Lords), second reading. Various consolidation measures. Motion on Income Tax (Excess Interest as Distributions)

Order.

LORDS Reserve Forces Bill,
Criminal third reading, Criminal Justice (Scotland) Bill, com-

WEDNESDAY COMMONS—National Heritage Bill. Motions on Provision of Milk and Meals (Amdn.) (No. 2). Regs. and Milk and Meals (Education) (Scotland) Regs. LORDS—Debate on price in-creases for gas and electricity. Short debate on policy to abolish restrictive practices in distribution and sale of reading lenses and spectacle frames

SELECT COMMITTERS Foreign Affairs. Subject, FCO organisation. Witnesses: Foreign Office (10.30 am, Room 15) Industry and Trade Witnesses: Sir William Barlow, Chairman of Post Office (10.45) am, Room 16). Public Accounts. Subject: Stocktaking procedures at MOD depots. Witnesses: Ministry of Defence (4 pm. Room 16). Energy. Subject: New nuclear power programme. Witnesses: David Howell, Energy Sec. (4.30 pm, Room 8). Social Services: Perinatal neonatal mortality. Witnesses: Medical Research Council, Prof. K. Cross, Prof. E. Symonds (4.30 pm, Room 6).

THURSDAY COMMONS—Debate on agriculture and pollution.

LORDS—Petroleum Revenue Tax Bill (Money), third reading. Motion on European Communities (Definition of Treaties) Order. Short debate

on metrication. SELECT COMMITTEES—Agriculture. Subject: Implications Common Agricultural Policy for milk and dairy products (11 am, Room 16).

FRIDAY COMMONS—Private members motions.

4.200 tons

2 secs

APPOINTMENTS

Changes at Alexander Howden

MERCANTILE HOUSE HOLD-

Mr. D. G. Bell has been

UKF FERTILISERS has made

appointed an executive director of the UKF Fertilisers Board.

appointed an assistant director of BELLEW, PARRY AND

Mr. R. W. Gardener, Mr. R. J. Goward, Mr. R. W. Larkin and Mr. J. W. Leach have been appointed managing directors of ALEXANDER HOWDEN, insurbeen elected a deputy chairman from February 1. Mr. S. A. Cook and Mr. P. R. J. Tritten have been appointed directors.

M. Charles de Croisset is to be appointed secretary-general of the CREDIT COMMERCIAL DE FRANCE. An inspecteur des finances, he has been on the staff of several cabinet ministers, in-cluding former finance minister M. Jean-Pierre Fourcade and minister of industry M. Andre Girand. He is the grandson of the late Mr. William Woodward, former chairman of the Hanover

Bank_ Mr. Jack Lynch, former Taolseach of the Republic of Ireland, has been elected to the Board of JEFFERSON SMURFIT CROUP.

Mr. E. E. Smith and Mr. T. G. Harle have been appointed direc-tors of J. AND A. SCRIMGEOUR. corporate members of the Stock Exchange.

Mr. Alan Humphries has been appointed sales director of HAYNES FORD AND ELLIOTT following the retirement of Mr. Tom Forder.

Mr. Roger W. Brittain has be-come a director of TOUCHE, REMNANT AND COMPANY. Mr. Daniel Cohen has been appointed financial director and

under Condition 10.

January, 1980.

Carritt will continue on the controller of SACCONE AND SPEED. Board as a director.

Autopistas del Atlantico

Concesionaria Española, S.A.

Kuwaiti Dinars 5,000,000

82 per cent. Guaranteed Notes due 1985

Option to redeem on 1st July, 1980

Notice is hereby given that, under Condition 4(B) of the Notes, the holder of any

of the above mentioned Notes may have all or, in the case of Notes in the denominations of KD. 10,000 or KD. 100,000, part (being an integral multiple of

Once deposited Notes may not be withdrawn without the consent of the Company and where partial redemption of KD. 10,000 or KD. 100,000 Note is required, such Note should first be exchanged for Notes of the appropriate denominations

Fiscal Agent:
Kuwait International Investment Co. s.a.k., Al Salhia Commercial Complex (5th floot, entrance No. 1), Nr. The Meridien Hotel, Kuwait.

Kredietbank S.A. Luxembourgeoise, 37 Rue Notre Dame, Luxembourg.

Manufacturers Hanover Limited, 8 Princes Street, London EC2P 2EN, England.

Kuwait International Investment Co. s.a.k.

KD. 1,000) of his Note redeemed by the Company at 100 per cent, on 1st July, 1980. To exercise this option, Notes to be redeemed must be deposited by the

holder with the Fiscal Agent or either of the Paying Agents at the addresses specified below at any time between 1st February, 1980 and 29th February, 1980

GUARANTY TRUST COMPANY, Mr. R. C. Stevens ha has been made area manager responsible for banking activities appointed general sales director of Newall Group Sales. He retains his position as sales and marketing director of Elliott in the British Isles Scandinavia.

Machine Tools. INGS has made the following appointments from February: Mr. E. C. Baltes, who is based in New York, and Mr. S. Multer Mr. I. S. Richards has been appointed a director of A. R. E. CHAMBERS UNDERWRITING

become directors and Mr. C. J. K. Kelson, Mr. M. Pearce and Mr. Mr. I. D. Glen has been appointed to the Board of RUBBER AND ALLIED PRODUCTS, a wholly-owned subsidiary of Weeks Associates. R. E. Smith assistant directors of M. W. Marshall and Co. Mr. F. J. Haughton will be a director of Marshalls (Ireland).

BACO CONTRACTS, part of the fabricated products division of the British Aluminium Group, has made the following appointments: Mr. A. J. West, managing director, Mr. D. L. Rose, sales the following appointments: Mr. Hugh le Boutillier personnel director, Mr. John Coleman finance director, Mr. James Cooper marketing director and and marketing director; and Mr. R. H. J. FitzHerbert, contracts

Mr. Richard Tabor sales direc-tor. Mr. Cooper has also been Mr. Rowland Walter Rowland Sir Hugh Fraser, Mr. Terry John Robinson and Mr. James Gossman (alternate to R. W. Rowland) have been appointed directors of the DUTTON-Mr. T. J. T. Duncan is to suc-FORSHAW GROUP.

ceed Mr. A. H. Moores as man-aging director of the ANGLO SWEDISH GROUP on March 31. Mr. D. S. Hay, an agricultural Mr. D. Westbrook has been appointed financial director. division deputy chairman, has been appointed ICI's general manager, commercial, from March 1. He succeeds Mr. R. C. GOW WILSON has appointed Lord Garvagh as chairman, Mr. L. A. Brighton as chief execu-Hampel, who has become chairman of paints division. tive and managing director and Mr. D. A. Burley, J. V. Fontannaz and Mr. T. Henderson as additional directors. Mr. H. D. D. W. Gamlin, overseas marketing manager, Nobel's Explosives Company, has been appointed a director of that company from February 1.

Mr. Peter J. Duff has been * As part of a reorganisation appointed to the Board of Mr. Neil D. Chrisman, a senior within the manufacturing divi-CARAVANS INTERNATIONAL vice-president of MORGAN sion of the B. ELLIOTT GROUP, as a non-executive director.

Secretary of John Brown

Mr. C. G. Roper has been appointed secretary of JOHN BROWN AND COMPANY.

a director.

Denmark and Finland.

who is leaving to take another appointment. Mr. Edward F. Maynard has joined the MANSON BYNG GROUP, Lloyds and inter-national reinsurance brokers, as Mr. J. A. Howard has retired as chief executive of HOWARD
MACHINERY on medical
grounds. He will continue as a
member of the Board and as
deputy chairman. The chairman

of Howard Machinery, Mr. P. Coleclough will become chair-man of the executive committee. Mr. Ken Jamieson has been appointed managing director of appointed managing director of EUROCOM DATA, the UK subsidiary of Eurocom Data (Holdings), which is the European COM (Computer Output to Microfilm) service company owned by National Westminster Bank. Eurocom also has operations in Germany, Sweden, Denmark and Fipland

company secretary of PLEASURAMA, has been appointed a director and will become chief executive of the

* Mr. Ian C. E. Telfer has been
At REVERTEX CHEMICALS appointed to the Board of
Mr. Allister McLeish has been
ALEXANDER, HUGHES &
appointed finance director in ASSOCIATES (UK).

Li legrand

In September 1979, Compagnie Générale d'Electricité granted Legrand an option to purchase 80% of the capital of Arnould-F.A.E., a subsidiary specialised in the electrical installations equipment.

This option has been taken up, and Legrand now controls 80% of Arnould-F.A.E.; the remaining 20% has been retained by C.G.E.

The provisional consolidated turnover of Legrand and of the French and foreign subsidiaries controlled in 1979-i.e., not including Arnould-F.A.E. -reached approximately Frs. 1,480m, showing an increase of more than 22%, corresponding to the forecast announced during the second half of the

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TENDERS CONTRACTS

THE STATE OF PARANA STATE FINANCE DEPARTMENT

COMPANHIA PARANAENSE DE ENERGIA ELETRICA-COPEL COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS...CAEEB

Invitation to Suppliers of Electric and Electronic Materials and Equipment

SECOND DISTRIBUTION PROJECT OF COPEL LOAN No. 1721-BR

I-COMPANHIA PARANAENSE DE ENERGIA ELETRICA-COPEL, established in the State of Parana, Brazil, has obtained a Loan from World Bank (IBRD), in various currencies equivalent to US\$ 109,000,000.00 (one hundred and nine million US dollars), and proposes to apply these Loan funds to the financing of a part of the expansion plan of its sub-transmission and distribution system comprising the period from 1980 to 1983.

-COPEL will utilize the services of COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS-CAEEB, in the procurement of related materials and equipment.

III-During the next twelve (12) months COPEL will issue invitations for International bidding for the supply of equipment, materials and services which are grouped in the following BIDS: APPROX. QUANTITY DESCRIPTION BID No.

	Aluminium Conductors ACS Aluminium Conductors ACSR Insulated Aluminium Conductors Insulated Copper Cable Bare Copper Cables Galvanized Steel Cables	3,100 tons 6,500 km 70 km 110 tons 320 tons
2	Single-phase, Polyphase and Demand Metres	415,000 units
3	Power and Grounding Transformers at 230 kV, 138 kV, 69 kV	2,120 MVA
4	Distribution Transformers at 34.5 kV/220/127 V and at 13.8 kV/220/127 V	410 MVA
	Protection Equipment: —Circuit Breakers —Sectionalizer Switches —Potential Transformers —Current Transformers —Discharge Counters	140 units 3,500 units 210 units 910 units 220 units
. 6	Control Equipment: —Reclosers, Voltage Regulators and Capacitors	3,200 units
7	Relays	various
8	Lightning Arresters	33,000 units
9	Fuse and Sectionalizers Switches	42,000 units
10	Transformers for Metering Sets and Instruments	30,200 units
	lasulators	91,000 units
	Equipment for Maintenance of Energized Lines	various

13 Oil Purifying Sets 14 Equipment for metering, Phsicochemical and Electrotechnical Laboratories IV—These invitations will be complemented by notifying the diplomatic representatives in Brazil of the World Bank member countries and of Switzerland, at the time the corresponding

bidding documents for each bidding are ready. Meanwhile, the suppliers and manufacturers who wish to be included in the suppliers list to receive the invitations above mentioned, must express in which bid or group of bids they are interested to participate, by writing to the following addresses:

COMPANHIA PARANAENSE DE ENERGIA ELETRICA-COPEL

At.: Suprintendência de Suprimentos BR-116, km 396 - Trevo do Atuba Caixa Postal 318 80000 - CURITIBA - PARANÁ BRASIL

COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS—CAEEB

At.: Coordenador de Compras Av. Rio Branco, 135 13° andar Canca Postal 883

ZC-00 RIO DE JANEIRO - CEP 20000 - BRASIL. These letters will be received up to and including two months from the date of this advertisement, and all the letters will be included in the Eid mailing list.

The Council of the City of Sydney



SYDNEY AUSTRALIA **RESTORATION & LEASING**

The Council of the City of Sydney invites bids for the Restoration and Lessing of one of Sydney's most famous landmarks, the Queen Victoria Building occupying an entire city block of 0.53 hectares in area and fronting George Street, Sydney's main thoroughfare.

The building listed in the Register of the National Trust of Australia, is owned by the Council of the City of Sydney and at present houses a number of short term lesses. The location is central, a most valuable and outstanding site, being next to Sydney Town Hall with Sydney Square and St. Andraw's Cathedral adjacent and close to Sydney's major ratial shopping area. Underground railway and bus transport are writin a law steps of this building.

Built in 1898, It is regarded as one of Sydney's most important historic buildings, and redevelopment plans must retain the besic legade, design and image that is the Queen Victoria Building in one of Australia's best known and loved buildings.

Sydney is a city in which office and retail apace is now in short supply; the Queen Victoria Building affords an excellent investment opportunity for an entrepreneurial organisation that may wish to develop accommodation for:

Commercial

Community and Cultural activities or a combination of these

a sixty (60) year lease will be offered by the City of Sydney in return for restoration at the leases's expense. ..., поиза, Syc 125 is \$A100.00. are invited from entrepreneurs, financiers and developers, a further deposit of \$4400.00 shell be submitted with the bld.

bids must be lodged by 3.00 p.m., Tuesday, 11th March, 1980, within the Tander Box located in the vestibule, Level 2, Town Hall House, Sydney. be directed by Telax: THALL AA 21904 or by telephoning 20263 and sak for extension 9077.

TENDER FOR VEHICLE SPARES
LETTER OF NOTIFICATION
1 The Crows Agents will shortly be
calling for world-wide tenders on behalf
of the Kenya Ministry of Works for
the supply of various spare parts, as
detailed below. Tender documents will be returnable
1 to the Comm Agents in London, Where
they will be opened publicly on a date
I to be advised.
Should you wish to receive a set of
tender documents, please apply in writ-
log to: The Crown Agents for Oversea's Governments and Administrations, 4
Mithenk, London SW1P 3JD. quoting
the Crown Agests' reference shows
sgainst each item below.
Tenderare will be allowed to OPET
l any or all of the spares cetames in
the render documents.
(II) Spare parts for PG4Y/KENWAS PORD D: 1210 IBRD 9/16616/1
7 con tioner
AND CHARGE PROPERTY OF PROPERTY AND PROPERTY
BENEODD 15 1880 9/16817/1
MIT Space stor PG4Y/KENWKS
Champion Motor IBRD 9/15822/1
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HV) Spare parts for PG4Y/KENWKS
471 Model 1043.

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NIGERIAN PORTS AUTHORITY

TENDER FOR THE PURCHASE OF M/V. "OLATEJU"

1. Tenders are invited from interested individuals and organisations for the purchase of the vessel M/V "Olateju,"

2. The following are the particulars of the vessel:-(i) Motor vessel: "Olateju"

ex Davies ex Dayaka Dua ex Miura Maru

1965 (ii) Year built: (iii) Length: 100.89 metres (iv) Breadth: 15.32 metres 7.80 metres (v) Depth: 6.351 metres (vi) Draft: (vii) Gross Tonnage: 3,197 (viii) Net: 1,985

5.187 (ix) Deadweight: (x) Grain Capacity: 6922m (xi) Bale Capacity: 6616m3 Sulzer/IHI (xii) Engine: (xiii) Horse Power: 2.640 (riv) Speed: 12 knots (xv) Holds: 3 (three) (xvi) Derricks: 2 x 15 tons

3. The above particulars are given in good faith, but no responsibility can be accepted by the Authority for their accuracy. Purchasers are warned to make their own enquiries, and if necessary carry out physical inspection of the vessel which is moored at Marina Buoy Lagos Port.

(xvii) Classification:

Tenders which should be submitted in a wax sealed envelope marked "Confidential Tender for the purchase of M/V Olateju" and addressed to:--

> The Secretary. Nigerian Ports Authority. P.M.B. 12588,

26/28 Marina, Lagos. should be deposited in the Tender Box on the 6th Floor of the Nigerian Ports Authority Headquarters Building, 26/28

Marina, Lagos, or delivered to the Authority's London Representative at the following address:-Nigerian Ports Authority, Mansfield House.

376/379 Strand, London, W.C.2.

5. All tenders must be submitted not later than 15th February, 1980.

6. Prospective tenderers are warned that the vessel will be sold "As Is, Where Is" and the Authority does not accept any liability for the condition of the said vessel.

7. The Nigerian Ports Authority is not bound to accept the lowest or any tender.

8. Successful tenderer must be prepared to remove the vessel from its present location immediately on being advised of the acceptance of his/its tender and after payment of the tender sum, but definitely not later than thirty days thereafter.

J. K. KALU Secretary to the Authority.

Nippon Kaiji Kyokai

N.P.A. NOTICE No. 3219 Dated 3rd January, 1980.

Recovery for German steelmaker

By Kevin Done in Franki

THYSSEN, West Germany's largest steel producer, is to pay an unchanged dividend for the

Thyssen group worldwide grew by 8 per cent to DM 25.4bn (\$14.6bn), and after-tax profits jumped to DM 167m compared with DM 105m. However, this still leaves the group substantially short of the profit levels charted in the mid-1970s when an after-tax return of DM 275m was achieved for 1975-76.

Favourable sales figures were shown in most of the company's activities last year, with the exception of the capital goods manufacturing division. The fastest-growing part of

this highly diversified group remains the trading sector, which achieved a 16 per cent sales increase to DM 13.2bn. Steel sales increased by 7 per cent to DM 7.8bn. despite shortin production resulting from the six-week steel strike

First Chicago finance chief

MR. WILLIAM J. McDONOUGH has been named chairman of the Asset and Liability Committee and chief financial officer by First Chicago, the parent company of the First National Bank of Chicago. The appointment follows the resignation last week of Mr. Edwin H. Yeo, who is to become chief financial adviser to the Mayor

of Chicago, Ms. Jane Byrne. The Yeo resignation came unexpectedly following a sharp fall in the bank's fourth quarter earnings and tensions between a number of the bank's top

following two or three days

which produced the most volatile

trading seen, in an already

It was less than three years

ago that gold first moved above

the \$150 level, but last week saw

daily fluctuations of around \$150, and at one time on Wednesday

the metal had tumbled \$260

from the record high touched at

the begining of the week. At the

GOLD

Fresh move in IBM anti-trust suit

BY STEWART FLEMING IN NEW YORK

THE U.S. Justice Department is planning a further meeting with International Business Machines, an unchanged dividend for the year ended September 1979, of DM 4 per share, following a company, in an effort to reach an out-of-court settlement of Covernment's 10-year-old anti-trust case.

Mr. Benjamin Civiletti, the U.S. Attorney-General, disclosed that three previous sessions with the company had "made pro-gress" towards agreements on the terms and conditions of negotiations, and the timetable and agenda for the meetings.
But he said that no date had yet been scheduled for the next

meeting, although both sides continued to make exchanges. Department trial team had been told that it could have any of the department's resources necessary to expedite the litiga-tion, and that it was extremely important that the IBM litiga-tion "not be delayed" by any lack of attention, focus determination.

The Justice Department suit charges IBM with monopolising the general-purpose computer market and calls for the com-pany to be broken up. IBM contends that the growth of the market indicates that it did not unfairly dominate the business

Wall Street analysts in IBM shares have been speculating that a settlement of the anti-trust sult against the company may not be far off. But IBM itself has not made any com-

The suit, which has attracted criticism because of the inconclusive nature of the protracted legal battle, is potentially of major significance for IBM. Some analysts say that it will end without IBM having to divest any major portions of its business. Others argue that the divestiture of a division may be the price of ending the suit. IBM has won several private

Fiat carburettor unit in U.S. joint venture

CURRENCIES, MONEY AND GOLD

the market reacted nervously to conflicting reports about the deposed Shah of Iran, including the original rumour of his house arrest, which drove down to conflict the following the confliction of the following the confliction of the following the follow

hopes that the crisis between the U.S. and Iran was about to next month of moves by the weather the U.S. and Iran was about to next month of moves by the weather defended, while the continued German Finance Ministry to be defused, while the continued in limit speculative gold trade had affect on the price of

Gold trading settles down BY COLIN MILLHAM

BY RUPERT CORNWELL IN ROME

WEBER, the components sub- to manufacture at least 3m sidiary of the Fiat car group, Weber carburettors to mount has formed a joint venture in the U.S. with the American ACF group to produce more than 1m single and doublebarrel carburettors a year.
The new enterprise will carry out production in ACF's Carter division plants at Hickory and Stanford in North Carolina. These will be entirely made over to the joint venture, to be called Carter Weber

record—with prices ranging between \$673 and \$745, before finally being fixed at \$695. The market reacted nervously

arrest, which drove down the price of gold. This reflected hopes that the crisis between

in its new Erika model. But the latest move will for the first time give Weber a direct producing presence American market.

Weber employs around 6,000 people in Europe and South America. It produces a wide range of carburettors, aimed at coupling high performance with low fuel consumption. ACF has a turnover of \$900m Weber has already concluded a licensing agreement with Ford of the U.S. for the latter (slightly less than Weber) and a workforce of 14,500 at its

The decision to outlaw new

positions in short-term forward

silver contracts by Comex in New York and the Chicago Board of Trade, depressed the price of that metal, although

Increased earnings at Sandoz

HIGHER PROFITS are reported by the Swiss pharmaceuticals company Sandoz, for 1979 following a sales increase of 3.4 per cent, or 10 per cent in terms of local currencies.

According to a letter to share holders, sales improved from SwFr 4.29bn to some SwFr 4.44bn (\$2.77bn). However, this is still considerably below the 1977 peak of SwFr 477bn

Exchange rate considera-tions made for a loss of sales revenue amounting to some SwFr 250m in 1978, the figure had been of about SwFr 1bn. In terms of local currencies, group turnover is said to have risen by 10 per cent last year.

The more stable currency situation and continued "implementation of appropriate measures" have meant a rise in profits of both the Basle parent undertaking and of the group as a whole. In 1978, net group as a whole. In 1978, het group earnings dropped from SwFr 214m to SwFr 156m, with those of the parent company re-maining almost unchanged at

The pharmaceuticals division the group's biggest single activity, booked a turnover increase of 3.5 per cent in Swiss franc terms and 9 per cent in local currencies. Sales dyes rose by 8.5 per cent and 15 per cent respectively. In the previous year, pharma-ceutical turnover had declined by 9.2 per cent to SwFr 2.07bn of the group total and that of the dyestuffs division by 14.8 per cent to SwFr 1.07bn.

Elsewhere, the agro-chemicals division improved sales by some 10 per cent in Swiss franc terms, or 24 per cent in local currencies, while seeds booked a 7 per cent rise in local cur-rencies, though Swiss franc sales were rather below 1978 levels.

trading, and helped create quieter conditions at the end of

the present conditions has been the loss of the usual premium of

about 3 per cent for the Krugerrand over the gold price. Heavy selling of the one ounce

gold bullion price, while the new Canadian Mapleleaf—a similar

coin containing one ounce of

gold-was quoted at the same level as the Krugerrand last

An unportant side effect of

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

Dete	Announce- ment last year	-Deta	Announce- ment lest yest
Anglo Amer.		Gummess	
Secs. ConFeb. 14	Sec. Int. 2.3	Fast. Feb. 2 Hardy	int. 2.26
*Associated Daines. Jan. 30	Int. due	(Furnishers)Feb. 2	int. nii
*BAT IndaJan. 30	Int. 4.84	HK & Shanghal Bk,Feb. 27	Shal WKCO
Benk Leumi (UK),Jen. 30:	E:! 5 52	HooverMar. 1	
Barcleys BkFeb. 22	Cast 7.41	*ICIFeb. 28	
	Cilial 1/41	MIFab. 27	TURE 0.400
Bath and PortlandFeb. 22	Ginet 2 054	*Imperial GpFeb. 14	
Besumont	CIDEL COLA	*Licyds BankFeb. 22	
PropsFeb. 13	Gest 2 ROS	London Shap	(16/8) 0.014
*Birtald	TIME 2400	PropMer. 1	tee A Bot -
. QualcastFeb. 13	Finel 3 476	*Langha	
Snitish	1 11101 4,710	MarchwielFeb. 18	Final S.O.
Enkelon,Feb. 28	Final oil	*NatWestFeb. 26	
British ViteMur. 1	Final 1.6	*Neepsendlan. 28	
Brown BrosFab. 22	Int. 0.53	Nottingham	·116. O.041
	11.410-	Manuf,Feb, 13	Finel 2 632
Carrington Viyalla,Feb. 21	Eleal 4 694	Remanmen	1 11101 5-1045
City OfficesFeb. 22	Cilier 1.001	SimaFeb. 28	Final 6.58
*Comm'i Bk.	FIRE! 0.751	RentokiiMar. 1	Finel 1.75
AustFeb, 18	las BE conte	Royal IncMer. 1.	
Commercial	IIIt. D.O CONCE	SecuricorFeb. 14	Final 1.74
Union,Feb. 27	Finel 5.673	Sime Darby- ,Feb. 19	Int. 11%
Cons. PlantsFeb. 19	Int. 15%	Sunlay (B.)Feb. 12	
		*Throgmorton	
Daigoty,,.Feb. 13	Int. 8.04	TrustJan. 30	Final 2 876
Debenture	F: 4 04	Utd. Resi	·
CpnFeb. 8		PropFeb. 21	Int. 1.25
*DowtyFeb. 6	Int. 2.5	VantonaFeb. 20	
General		Wagon	·
AccidentFeb. 28	Final 4.917	FinanceFeb. 16	Final 1.678
Gen. Con.		Board meeting intim	
Inv. TatFab. 13	Final 2.96	Izata since mede. # Ta	s fram. A Sc
GrindlaveFob. 27		lesus since made, 9 Fo	rachet.
		Without . bid.	

Public Works Loan Board rates

Over 5, up to 10 ... Over 10, up to 15... Over 15, up to 25...

Non-quota loans B are 1 per cent higher in each case than nonquota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest), § With half-yearly payments of interest only

BASE LENDING RATES

A.B.N. Bank	17	35
A.B.N. Bank Allied Irish Bank Amro Bank American Express Bk. Henry Ansbacher A P Bank Ltd. Arbuthnot Latham Associates Cap. Corp Banco de Bilbao Bank of Credit & Cmce. Bank of Cyprus Bank of N.S.W. Banque Belge Ltd. Banque du Rhone et de	17	9'n
Amro Bank	17	Š,
American Express Bk.	17	Š
Henry Ansbacher	17	ġ,
A P Bank Ltd	17	Œ,
■ Arbuthnot Latham	17	9
Associates Cap. Corp	17	%
Banco de Bilbao	17	%
Bank of Credit & Crace.	17	٩̈́
Bank of Cyprus	17	K
Bank of N.S.W	17	T,
Banque Belge Ltd	17	9
Banque du Rhone et de		-
la Tamise S.A	17	%
la Tamise S.A	17	%
Bremar Holdings Ltd.	18	9,
Brit Rook of Mid Fort	17	æ

Brit. Bank of Mid. East 17 % Brown Shipley 17 % ■ Charterhouse Japhet ... 17

First Nat. Secs. Ltd. ... Antony Gibbs Greyhound Guaranty... 17

Hongkong & Shanghal 17 % Industrial Bk. of Scot. 171% Keyser Ullmann 17 % Knowsley & Co. Ltd. 181% Lloyds Bank 17 % ■ Samuei Montagu Morgan Grenfeli National Westminster Norwich General Trust 17 P. S. Refson & Co. ... 17 Schlesinger Limited ... 17 E. S. Schwab 17 Security Trust Co. Ltd. 18 Standard Chartered ... 17 Trade Dev. Bank Trade Dev. Bank
Trustee Savings Bank 17 %
Twentieth Century Bk, 17 %
United Bank of Kuwait 17 %
Whiteaway Laidlaw ... 171% Williams & Glyn's 17

Members of the Accepting Houses Committee. 7-day deposits 15%, 1-month deposits 154%. 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15%, and over £25,000 15%. Call deposits over £1,000 15%.

Yorkshire Bank 17 %

Afghanistan and President an adverse enert on the price of the same time the fell \$135 on Tuesday, moving within a range of \$690 to \$835. Afghanistan and President an adverse enert on the price of up to \$40 over the South early closure of the Zurich mar-African coin last October, and a premium of 14 per cent over reduced the gangeral level of its cold content. Conditions were just as uncertainty.

i		· · · · · · · · · · · · · · · · · · ·			
•	Gold Buillon (fine o	nuce)			
Close	(£29314-29754) (£307-31112) (£303,343) (£393,368)	\$700-710 \$680-690 \$712 \$717	(£307-312) (£398-303) (£312,281) (£314,336)		
	Gold Coins				
Krugerrand	IE290-300; (E290-300) (E24-77; (E80-83) (E80-83) (E87-250-270;	\$700.720 \$700.720 \$180.185 \$185.195 \$185.195 \$185.195 \$719.725 \$870.890 \$700.715 \$745.776	(£300-310; (£300-310; (£76-82; -£75-90; (£75-90; (5Fr250-270		

trading settled down erratic on Wednesday, when the

towards the end of last week, afternoon fixing lasted 90 following two or three days minutes—one of the longest on

THE DOLLAR SPOT AND FORWARD							
Jan. 25	Day's apread	Close	One month	p.a.	Three months	% p.s.	
UK† Ireland† Canada Nothind. Belgrum Denmark W. Ger. Portgual Spain Italy Norway France Swedon Japan Austria	2.2630-2.2825 2.1350-2.1380 1.1578-1.1510 1.9100-1.9135 28.11-28.21 5.4035-5.4100 1.7225-1.7370 48.95-50.10 66.07-66.16°, 806.40-807.75 4.8360-4.8963 4.1450-4.1505 232.00-239.85 12.427-12.446	2.2635-2.2645 2.1350-2.1360 1.1592-1.1595 1.9120-1.9135 28.19-28.21 5.4065-5.4100 1.7345-1.7355 50.00-50.10 66.13-66.16 806.40-806.70 4.8375-4.8395 4.0615-4.0630 4.1480-4.1505 239.45-239.55	0.57-0.47c pm 0.79-0.60c pm 0.79-0.60c pm 0.75-0.68c pm 3.11-c pm 0.79-1.30cm dis 1.05-0.95pf pm 13-23c dis 15-25c dis 51-52 live pm 1.20-1.10c pm 0.55-0.35cm pm 1.50-1.35y pm 7-64-gro pm	3.65 0.72 4.48 0.96 - 2.22 - 4.31 - 3.63 - 9.35 5.76 3.40 1.30 1.30	2.62-2.52 pm 40-70 dis 53-78 dis	2.68 3.65 0.75 3.55 0.28 - 3.44 5 92 - 4.39 - 4.11 - 8.31 7.82 0.77 6.05 8.48	

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for Lordon deliar certificates of deposit: one-month 14-20-14-30 per cent: three months 14-25-14-45 per cent; six months 14-30-14-40 per cent; one year 13-50-13-70 per cent. 201: 271: 24: 271: 25: 25: 221: 23:

Long-term Eurodollar two years 121-12% per cent; intee years 123-12% per cent four years 124-12% per cent five years 12-12% per cent nominal classing tales reterm rates are call for sering, U.S. dollars and Canadian; two-day call for guilders and Sunas france. As an rates are closing rates in Singapore.

LONDON MONEY RATES

Jan 25 1980	Certificate of deposit	interbank	Authority deposits	negatiable bonds	House	Сомонах	market deposits	Treasury Birls #	Bank Bills 4	Tracie
Overnight		16-21	· -	(–)		18-173	1612-17			1
2 days notice	_	i — ;	184	! - :	_	T	: -	• - •	- ,	
7 days or	_	:	_	• - 1	-	! —	·	: :	;	_
7 days notice_	_	172:-173	184	· - !		1512,1774		. – '	- ;	<u> </u>
One month	17 s-17sa	1759 173	173g-181g	191, 19	184	1812,1776	1654	15.3-1531	174.174	185
Twomonths		17-17		1854 1612	18	: _	ı 161 ₂	1515A	174	18%
Three months.	17-z-171e	17 17	174-1712	177g-171g	1778	174.174	1614	154-15h	16.	1714
Six months	16 4-16	164 165	161g 164g	161: 16	164			.== ~ _== -;	1517	16
Nine months		15 4 151		15-4-15-20	16	' -	_	_	···	_
One year		15, 15,	151 ₂ -165 ₈		ود 15	: -	· –	_ ′	-	_
Two years			15 to 15 le			·		:		_

Local authorities and finance houses soven days' notice, others seven days fixed. "Long-term local authority mortgage rates nominally three years 15;-15% per cent; four years 15-15% per cent; five years 16;-15% per cent. 6 Back bill rates in table 210 buying rates for prime paper. Buying rates for four-months bank bills 16%-16% per cent; four-months trade bills 16% per cent.

Approximate selling rates for one-month Treasury bills 15%-15% per cent two-months 15%-15% per cent three-months 15%-15% per cent. Approximate rate for one-month bills 17%-17% per cent two-months 17-17% per cent three-months 16% per cent one-month trade bills 18% per cent two-months 18% per cent per cent three-months 16% per cent one-month 16% per cent for three-months 16% per cent for three-months 16% per cent for per cent. Hence Houses Association) 17 per cent from Jensey *. 1980. Clearing Rank Deposit Rates for sums at soven days' notice 15 per cent. Clearing Bank Rates for landing 17 per cent. Treasury Bills: Average tonder rates of discount 16.7443 per cent.

OTHER MARKETS

Jan. 25	2			€ Note Rates
Argentina Peso	8758-3778	1660-1670	Austria	28.10-28.35
Australia Doller Brazil Cruzairo	2.0500-2.0540 99.84 100.84	45.70 44.50	Belgium Denmark	12.28-12.36
Finland Markke Greek Drachma	7.8	3,6915-3.6935 n/a	France,,	9.20-9.27
Hong Kong Dollar	10.85-10.87;	4,7805-4,7835	Italy	1910-2000
KuwaitDinar (KD) Luxambours Fre-	0.615-0.625	0.2719-0.2720	Netherlands	6.3414.371
Malaysia Dollar	4 9575-4,9675	2.1860-2.1870	Norway	115-124
New Zesiand Dir. Saudi Arab. Riyal.	7.61.7.71	3.3290 3.3610	Spain	9.43.9.49
Singapore Dollar. Sth. African Rand	1.8495 1.8510	0.8170-0.8175	Switzerland United States	3.64; 3.66; 2.275-2.285
U. A. E. Dirham	8.48-8.58	3,7385-3,7435	Yugoslavia	4819 5017

chairman of the Federal Reserve South African gold coin left it Board, about possible future at a discount over the equivalent U.S. gold auctions, and implementation from the beginning of Canadian Mapleleaf—a similar

ket on Thursday and Friday a premium of 14 per cent over reduced the general level of its gold content.

THE POUND SPOT AND FORWARD

	Day s		_	••	Three	
. 25	spread	Close	One month	p.s.	ಬಂಗರಿತ	p. .
	2.2630-2.2875	2 2535-2.2645	0.57-0.47c pm	276	1.57-1.47 pm	2.68
ada	2.8260-2.6420	2.6270-2.6280	1.05-0.95c pm		2 70-2.00 pm	
bind	4.33 4.36 -	4.33%-4.34%	3-2c pm		71-63-00	6.22
g.um	63.75-64.20	63.80-63.90	22-12c pm		52-42 pm	2.94
mark	12.23 - 12.37	12.24-12.25	71 ore om-1, dus		11-31, die	-0.82
and	1.0610-1.0675	1.0615-1 0625	par-0.10p das	-0.56	0.14-0,24dia	-0.71
Gor.	3.92-3.94	2.92 - 3 93 -	3'-2'-pl pm	9.54	9-8 pm	8.65
lepul	113.00-114.20	113.05-113.30	par-50c die	-2.65	20-120 dis	-2.47
in	149.55-150.70	149.60-149.70	5-55c dis.	-2.40	20-120 dis	-1.87
•	18261-18381-	1825-1927	9-11lire dis	~6.57	23-26 dta	-5 35
942Y	11.08*-11.15*-	11.09-11.10	8°-63;ore pm		17°=151, pm	
nce	3 19-9 25	9 19:-9.20%	5-4c pm	5.87	10:91- pm	4.35
den	9.39-9.47	9.39 9 40 -	31-12 ore par		81-61- pm	3.19
an	540-548	5411-5421,	4 75-4.45v om	70.78	12.05 11.70p	m 8 76
tria	28.13-28.40	28.15-28.20	23-73gro pm	7.67	62-52 pm	8.09
tz.	3.64-3.67-	3.65-3.65-	4-3c pm		707s-97s Des	77.35
		or convertible				
			1.97c pm. 12-mg			

CURRENCY RATES

Jan, 25		Drawing Rights	Currenc Unit
arting 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5.	17 18 14 10½ 11 6 9½ 15 64	0,578749 1,51839 1,53078 16,3915 37,0731 7,12853 2,26213 2,51944 5,34739 1063,28 816,523 6,44429	0.65206 1.43922 1.66861 17.8865 40.4852 40.4852 2.79155 5.84179 1160.73 544.333 7.04788
verliek Pts. vedisk Kr. viss Fr	10	87.1884 5,47000 2,11967	96,1899 5,97376 2,31858

RECENT ISSUES EQUITIES

isatio Price p:	Amount Patd Up	Renune. Date	1979/80 Stock			Price			Oovered	Vield Vield	
980	F.P. F.P.	7:3 25:1 11:1	115 104 143 78	128 101 981 ₂ 119 68	ttBio-kii Chem. 10p, B.P. New Conder Inti Emess Lighting. Hayn es P'blish'g 20p Spring Grove 10p Wereldhave NVDFL20	135 113 103 140	+2	\$15,76, 57,0 56,0 56,0 54,0	6.8 2.9 3.0 2.1	7.8 4.5.6 6.8 4.8.3 4.6.1 9.7.4 10.5.3 6.4	
		F		_	NTEREST S						

Price Price	1979 Seo High	1	Stock	Price	+ 61
# F10	0 - 10 P. 8/2 86p	1012 B'rnom'th & 9212 Bristo! Water 90 Dundonian 10 Felixstowe 85p Howitt U.) 1911-Mid-Sungay	1013 Cum. Red. Pref. '99 05 b District W'ter Red. Pref. 198 grworks 55 Red. Pref. 1984. 1145 Cum. Conv. Pref. Dock 913 Cum Red Prf. 10pc Cum Pref. Water 75 Red. Pref. 1888/ee 72Con. Red. 3ndComPri92 95	1010 9314 98 10 86p	
	. 44]	RIGHTS"	OFFERS		

Issue -	클:	Renunc. Oata	197	9:60	 	불립성 + 다
p:	₹₫ :	• " "	High	Low	Stock .	55
121: 40 60 AS1 60cts 200 84	F.P.	22/1. 29/2	88 800 45pm 410pm 222	660 20pm 190pm 200	Associated British Engineering Elson & Robbins	88pm 1 800 + b 32pm 385pm
Re	enunc	ation date	usuallo	lage de	y for dealing two of stamp down	4.5

Renunciation date usually last day for dealing free of stamp duty. & Figures based on prospectus estimate. g Assumed dividend and yield u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Grees. If Figures assumed. Cover allows for Convarsion of abares not now ranking for dividend or tanking only for restricted dividends. § Placing price to public. pt Pence unless otherwise and cated. § Issued by tender. § Offered to holders of ordinary shares as a "riphts" = 19sued by way of capitalisation. §§ Reintroduced. §§ Issued in connection with reorganisation, merger or Lakeover. [§] Introduction [Issued to former prelisioned holders. B Allotment letters (or fully-paid). © Provisional of partily-paid allotment letters. † With visitions. §† United Security. §§ Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

GLC watch on environment

THE Greater London Council's borough councils most affected minerals sub-committee will indicates the importance the meet for the first time on GLC places on the solution of February 4. One of its aims is the protection of Greater London's environment during and after mineral extraction.

Mr. John Putnam chairment in management of specially gravel."

Mr. John Putnam chairment in management of Bulls Crownitise will discuss are gravel extraction.

Mr. John Putnam, chairman, tion proposals at Bulls Cross said yesterday: "The formation Ride, Enfield, Mitchem of this committee, including direct representation from the thamstow Marshes.

THE HAMMERSON PROPERTY & INVESTMENT TRUST LTD. The entry relating to Hammerson "A" Shares under the heading "RIGHTS OFFERS" on this page is being maintained to inform investors of the price of the new shares which do not rank for the 1979 dividend. The entry will appear until the entire stockholding Financial Times Monday January 28 1980

This edvertisement is issued to compliance with the requirement the Council of The Stant Embange. It does not constitute invitation to eary passen to estimate for a purphess say shere of the Company.

CHARLES CLIFFORD INDUSTRIES LIMITED

(Registered in England No. 24328)

Issue of 500,000 12 per cent. Cumulative Convertible Preference Shares at 120p per share.

The Council of The Stock Exchange has admitted the above-mentioned securities to the Official List and dealings in them are expected to begin today.

Particulars of the rights attaching to these securities are available in the Extel Statistical Service and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 11th February, 1980.

G. R. Dawes & Company Limited, New Issues Department. 42-46 Hagley Road. Birmingham 916 8PZ.

Boodle Hatileid & Co., .53 Davies Street, London WIY 2BL.

THE LONG-TERM **CREDIT BANK OF** JAPAN FINANCE N.V.

U.S. \$40,000,000 Floating Rate Notes 1977-1982

Forthe six months 27th January, 1980 to 27th July, 1980 the Notes will carry an interest rate of 143/4% per annum with a coupon amount of U.S. \$74.57

> Bankers Trust Company, London Agent Bank



BANQUE DE L'INDOCHINE ET DE SUEZ US\$40,000,000 Floating Rate Notes 1978-1985

25th January 1980 to 25th July 1989 es will carry an interest rate of 14 1/4% per annum and Compon Amount of US\$74.25 Listed on the Laxembourg Stock Exchs By: Bankers Trust Company, London
Reference Agent

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Midland Bank Tst. Corp. (Jersey) Ltd. 29-34, NUI St., St. Heiler, Jersey. 0534 36501 Midland Drayton Gib. 1988 99-4 1189

Morray, Johnstone (Inv. Adviser)
163, Hope St., Gissgow, C2. OCI-221 5521
*Hope St. Fd. USST3-37
*Morray Food. NAV Jon. 15 Nat. Westminster Jersey Fd. Mgrs. Ltd. 45 La Matte St. St. Haver, Jersey 0534 Je241 Vightnoome Factor 1855 458 1254 Egatty Fundamental 1855 458 1254

Hegit S.A. Regit Ltd. Bank of Berses NAV Oct. 19

Providence Capital Life Ass. (C.I.)
PO Bot 121, 51 Peter Port, Corerus Offil 26/76.9
Stering Road Fd. 45.7
Stering Capity Fd. 45.7
Stering Capity Fd. 45.7
Stering Capity Fd. 45.7
Stering Capity Fd. 45.7
Prove at Jan. 23. Tent depung and 30.

Richmond Life Ass. Ltd.
48, Ashel Street, Qualist. LQ 47.
(a) The Shreet Frost. (406) 449 5-51.9
(b) Desirand Big.
(c) Life Shreet Frost. (406) 440 5-51.9
(c) Life Income Big.
(d) Life Asset Income Big.
(d) Lif

Save & Presper International Save & Presper International Dealers (I) P. O. Ser. 73, St. Refer. Jersey (ISSN 790)3 Process (ISSN 790)3

TSB Biff Food Managers (C.L.) Ltd.
10 Ward St. St. Peter, Arrey (C.L.) 6534 73494
159 64-614 40.04 125
158 657 614 194 96.04 125
158 657 614 194 96.04 125
160 97 67 67 67 67 67 67 67 67 67 67 67 67 Tokyo Pacific Hallings M.V. Univ. Banggement Co. N.V. Curicze. NAV per star January 21 USSTOLES. ONE. 2074) Token Pacific Hidgs. (Seaboard) N.V. Intima Management to N.V. Cornello.

SAV ser share Jensey 21 US\$51.50. van Catroni & Actoclates Ltd. 42 Erste Street, Landon, WC2 02-353 6845 Paulkaner, Gr., Fd.J. USSPP.43

Singer & Friedlinder Lin. Agents.

Standard Chartered Intl. Ed. Fd. 37 vm Nobe-Dane, Linembourg, HAY Jay, 21 USSE 10 1 1

Surface (Lersey) Ltd. (x)

Green fire. Son fit. St. Heller, Av. 0534 27349

American had fit. 85.06

Concert ray. 85.06

Light of the control of the control

is made ex-dividend.

FT UNIT TRUST INFORMATION SERVICE

Financial Times Monday Ja	anuary 28 1980				
FOR MILE	FT UN	IIT TRUST	INFORMATION	N SERVICE	
AUTHURISED 22 Bloomlete	dry Unit Fund Managers of St. ECRAFALL OL-638 4465 St. ECRAFALL OL-638 4465 St. Ecrayo't Way, Streenage Crowth Units	-0438 56107 45 Charleste Ca Ediabando	1.80 West Prop. First 10.3 24.4 - 0.5.7 7.7 1.00 Manager 7 and 10.5.4 25.4 - 0.5.7 1.00 Manager 7 and 10.5.4 25.4 - 0.5.7 1.00 Manager 7 and 10.5.4 25.4 - 0.5.7 1.00 Manager 7 and 10.5.4 25.4 1.00 Manager 7 and 10.5.4 1.00 Manager 7 and 10.	Gerch Dec. 31	ISE, Portsciouth. 0705 27733 GPO Bou 590, Hong Kons 1505 2438 +25 — Nachi Dec. 31 — Y17, 1505 2438 +25 — Nachi Dec. 31 — Y17, 1505 2438 +25 — Nachi Dec. 31 — Y17,
TKUSIS Emson & 28b Albentar 28b Albentar Entron Dude Entron Dude Entron Dude Entron Dude 280, Galebouse Rd, Aviesbary (226,5941, American R	ry To:	m 140	163.5 1.50 Norry First 17.5 14.8 (0.5) 185.8 5.50 Gut Fund 17.5 17.1 6.6 (0.5) 185.8 5.50 Gut Fund 17.5 17.1 6.0 (0.5) 185.8 5.50 Gut Fund 17.1 6.0 (0.5) 185.8 5.50 Gut Fund 17.5 17.1 6.0 (0.5) 185.8 5.50 G	Man. Lat. 1990 1990 Derrichs Derri	1 0.5 (0.1 +1) U.S. Ecter Demonstrated Fd 1 0.3 (4.1 +1) Units 575 USS 98 1 0.4 (5.2 +1) Units 18 USS 98 1 0.5 (9.8 +1) Secting Demonstrated Fds,
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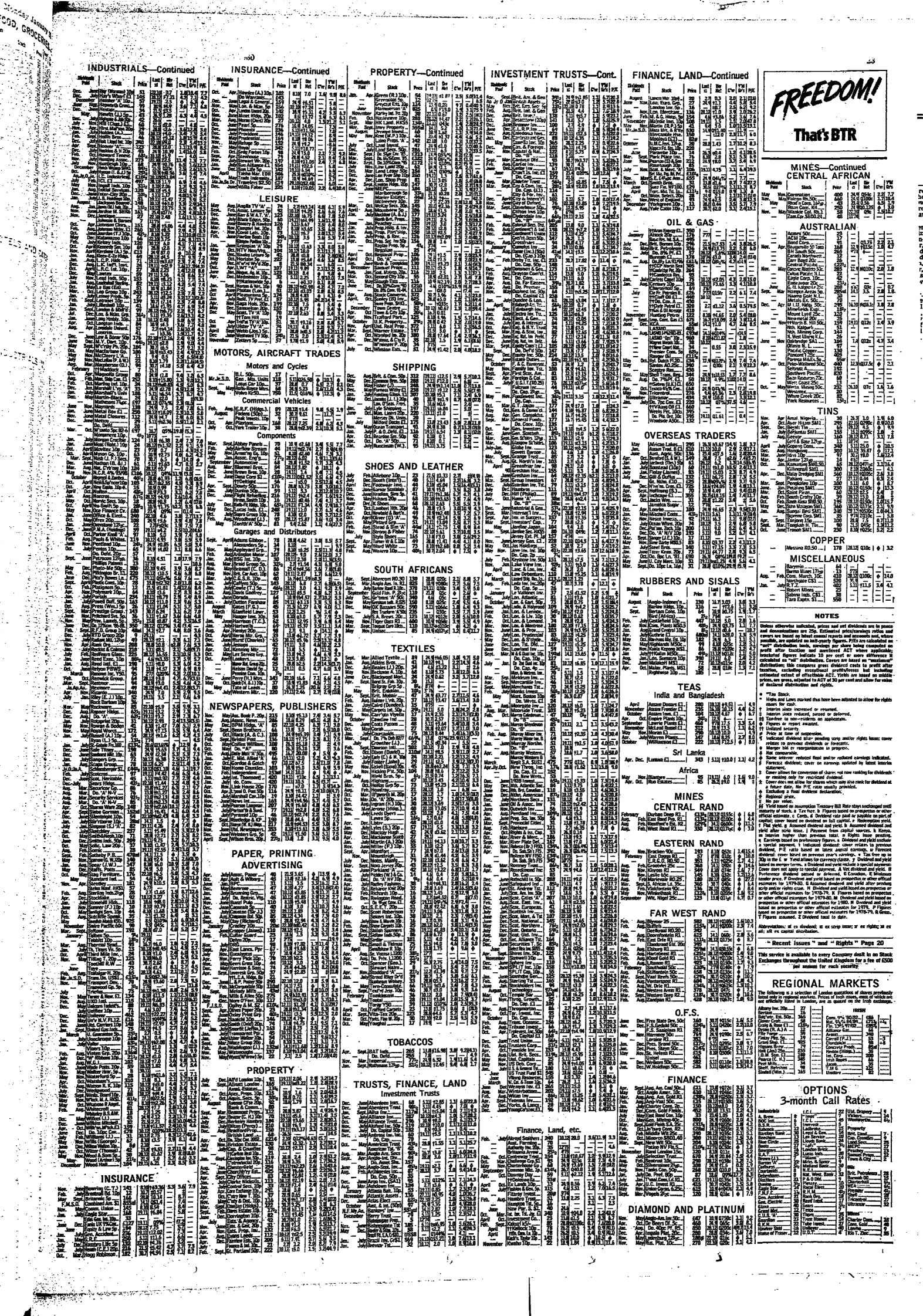
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HOTELS AND CATERERS

INDUSTRIALS (Miscel)



Monday January 28 1980



Saudis lead anti-Soviet protest Danger of

GARACE EQUIPMENT •

to have proposed an embargo on ference. exports of oil and petrochemiexports of oil and petrochemicals by members of the Islamic Liberation of Afghanistan could Conference to the Soviet Union embarrass Pakistan, which does and those supporting its military not want to be seen giving miliaction in Afghanistan.

Although the proposal has not been accepted, it is symptomatic of the hard line being taken in private by Prince Said al Faisa', the Saudi Foreign Minister. The plan would in-clude a one-month grace period for withdrawal of the Soviet troops and the suspension of Arghanistan from the Islamic Conference.

Saudi Arabia is also believed to be in favour of giving support to the Afghan guerrillas resisting the Soviet invasion. The for Europe, who is understood six leading guerrilla groups to have been working to uinte yesterday announced their agree- opposition to Marxist regimes the Moslem foreign ministers meeting in Islamabad to grant

SAUDI ARABIA is understood them observer status at the con-News of the formation of the

> tary assistance to the guerrillas. A four-man delegation from the Palestine Liberation Organisation arrived here yesterday. Syria and South Yemen are absent. Egypt, whose membership was suspended last May because of its peace treaty with Israel, was not represented.

News of the guerillas groups' agreement was given at a Press conference presided over Mr. secretarygeneral of the Islamic Council in Afghanistan since President

lish an Islamic republic. The rather than defence of in united movement is to be led dividual countries." by Professor Burhanaddin Rubani, leader of the Jamirat Al-Islami group and formerly head of the faculty of Shariah law, or theology, at Kabul University.

Professor Rubbani said: "The situation in Arghanistan is such that all of the nation is committed to fight Soviet imperialism and to kick out the Russians as soon as possible." He added that the alliance was looking for aid from "peace-loving' states of the West, as well as Islamic countries."

In his address at the opening ceremony, President Zia ul Haq of Pakistan made no reference Moslem resistance Afghanistan. By contrast, he. called upon member countries to "consider ways and means for the collective defence of the Daoud was overthrown in 1978. for the collective defence of the The long-term aim is to establishamic Umma (community)

Pakistan has taken great care

to avoid giving the impression that it is taking sides in a superpower conflict. The text of President Zia's speech made only two references to the Soviet Union (and none to the U.S.), compared with seven in the spoken version.

Mr. Agha Shahi, his adviser on foreign affairs and de facto Minister, took special care to emphasise the "non-aligned." nature of the protest against the Soviet intervention.

We emphasise that our attitude to the Soviet interven-tion in Afghanistan emanates from our objection to seeing the charter of our organisation and of international organisations being violated."

West German Opposition urges Olympic boycott, Page 2 Editorial Comment, Page 12

Ulster conference collapse

BY STEWART DALBY

HUMPHREY ATKINS, Northern Ireland Secretary. faces the delicate task of avoiding the collapse of the Government's three-week-old constitu-tional conference on Ulster when it resumes today.

contentious subject of power sharing will probably come up for discussion by three of the four main political parties participating.

Mr. Ian Paisley, the main agreed to take part only because he believes the subects of power-sharing with the Roman Catholic minority and the question of Irish unity are outside the terms of reference of the talks.

Mr. Atkins seems to concur with his view, feeling that the conference should be limited to questions of political devolution for the province. Mr. John Hume, SDLP leader, and the main Roman Catholic represensitive, feels that discussion of these wider issues is vital to his position.

discussion of the Irish dimension to a second set of talks to be held early in February.

Meanwhile, the equally vexed problem of power-sharing could bring the first conference to a premature halt in the next two or three days. Mr. Paisley has insisted he will never accept power-sharing as it existed in the short-lived executive of

By this, he means he would not accept members of the SDLP, for example, as members of a government or cabinet for Northern Ireland. He has conceded that SDLP representatives could sit in a legislature.

Continued from Page 1

have made heavy inroads into the British polyester and Italian

acrylics markets since mid-1979, thanks to the administration's These are claimed to give the U.S. petrochemicals industry a price advantage over European competitors of 10-30 per cent and are due to last until Sep- vehicle that is to carry them tember 1981.

In recent weeks there have been complaints that the twotier energy price is now giving American producers of nitrogenous liquid fertiliser a disruptive cost advantage in international markets.

THE LEX COLUMN Midland prepares

to try again

November and December, when

their ordinary share rates were uncompetitive with bank deposit rates, and the increase

in the permitted holding of

index linked retirement savings bonds led to some withdrawals,

they are now gritting their teeth to face the new-19th-

a successful issue, but not a

spectacular one: the 18th issue

brought in £900m in just over

three months before being with-

out of other national savings

institutions, but the bulk of it

represented new funding. It is

19th issue could bring in £500m

of new money in the remaining

two months of the financial year,

in -November, the

certificates.

METWORK

been the final stage of Midland Bank's determined clearing of the decks before it launches itself in pursuit of the major U.S. acquisition that has so far proved elusive. The £21m raised on Friday through the sale of the residual 101 per cent stake in Sedgwick Forbes Bland Payne is a useful addithe £65m realised through the two-stage disposal of the holding in Standard Chartered Banking Group. It leaves Midland sitting on a lot of free capital. The original sale of Sedgwick Forbes shares at the time of the merger brought in £60m, and it has never put the £100m raised through the 1978 rights issue into fixed assets.

Last week saw what may have

By the time of its abortive bid for Walter E. Heller last year Midsand had already got its balance sheet into the sort of shape that could accommodate a substantial acquisition. The free equity ratio, well under 2 per cent at the 1977 balance sheet date, was up to 3 per cent by the end of 1978, and is probably a good half point higher now. On top of this, the issue of yet another slice of subordinated dollar debt-a \$125m floating rate will payer, a level of income which note issue in Decemberhave helped improve the overall free capital ratio, which takes in both equity and sub-

takes in both equity and subordinated loan capital. The the certificates look splendid
mooted price for Heller was value, as "risk-free" invest8520m: Midland should be in ments go. The inflation risk, of a position to pay even more course, remains ever-present. than this if the right company . The 18th issue, now suspende comes along.
At the moment Midland is

insisting that it does not have a purchase lined up but that its first three months. This was as it expects to buy something later in the year it makes sense to take advantage of the firmer conditions in the equity market to sell its trade investments drawn. Some of this money came off and earn high interest on It would be reassuring to be

able to believe that Midland does have its eyes on a particular purchase, and is doing its homework rather more thoroughly than it had particularly as it is to be promistream end of the industry has apparently done when it nently advertised been at least partly offset by approached Heller. This time When the 19th issue was reduced requirements at the MIGIANG'S SNAPEDO have never been told exactly what went wrong in the Heller negotiations, may be expected to look very critically at the

into the New World. National savings

No wonder the building societies are talking about the need to keep their interest unless foreign buyers have to finance purchases of electric rates at more competitive levels. taken improbably large slices motor companies, stores chains, After poor net receipts in of them, the concern at the or British Sunday newspapers

than inadequate funding. The NET TAKINGS OF NATIONAL Bank of England has enough problems in the money market at present without an enormous National Savings intake—nitless the idea is to aim for the bottom of the target range for money supply growth and execute an unprecedented squeeze. It seems curious that the

operation of National Savings. now a major contributor to public sector financing, should be so inflexible. At a time when interest rates are so volatile. and savers increasingly alive to the different returns being offered, it makes no sense to bring out a form of investment two and a half months after it is needed, and then to offer savers a higher return than necessary. So much for fine-

Oil profits

With the U.S. off company reporting season in full swing. issue of National Savings and with the European majors These are being offered to the public from February 4, to preparing their bumper figures, the oil industry's financial pubyield 10.33 per cent free of all lic relations executives are havtax if held for a full five years. ing a busy time. Last week This return almost matches the Mobil and Exxon both bene-ficiaries through Aramco of Building Societies current share rate for a basic-rate tax-Saudi Arabia's cheap oil policies -announced final quarter earncan be expected to fall if ings gains of 72 and 60 per cent interest rates in general come respectively. Exxon decided to hold a Press conference to ex-plain and justify its higher returns. Earlier this month Mr. Dirk de Broyne, president of Royal Dutch, took the trouble to The 18th issue, now suspended theoretically it could be deliver a speech in Rotterdam. The Shell group, he declared, was ready "to make the profits of today work to supply the brought back quickly if the 19th were withdrawn sold £400m in vital energy needs of tomotrow."

panies must be allowed high returns in order to finance increasingly expensive exploration plans or high cost projects such as for the exploitation of tax sands. In principle this is by no means impossible that the fair enough, but there are two points to watch out for. One is that the increased requirement for investment at the upauthorities were faced with an volumes have meant that existurgent need to fund in order ing capacity is more than to bring the money supply under adequate. Although - few oil control. A generous offer of companies disclose downstream savings certificates is the per-returns, it looks as though they fect medium for selling debt have recently been quite high. to the non-bank private sector. The second point is that in the the ultimate in monetary virtue. U.S., at any rate, oil company But the circumstances have now diversification has been a changed. Several tap stocks fashion. It is hard to argue that have run out since then, and high returns are needed in order

The theme is that oil com-

Iran victor offers hope on hostages

MR. ABOLHASSAN Bani-Sadr. in a way which safeguarded the powers at a Press conference who swept to victory at the demands and independence of yesterday. weekend in the Iranian Presi- Iran. the possibility of solving the

In the most optimistic com- going treatment for a heart ail-ment to emerge for several ment in a Tehran hospital. ment to emerge for several the socialist-oriented

The remarks come at a time when the militant students holdimpasse over the 50 hostages, ing the Embassy are becoming held at the U.S. Embassy in increasingly isolated, especially as Ayatoliah Khomeini is under-Mr. Bani-Sadr, whose elec-

tion as President is expected to

He asked when the U.S. would decide against using its policy of "imperialist expansionism" and, in a reference to the deposed Shah, asked when it would allow criminals to be tried anywhere around the

Asked whether Iran would interview that he would try to be confirmed tomorrow, was attend the Olympic Games, he bring the problem to an end careful to criticise both super- said it would be difficult when attend the Olympic Games, he

Mr. Bani-Sadr is seen as a strong radical nationalist on foreign policy, and a believer in a strong state role on the domestic front Even before being made Finance Minister last November, he had orchestrated the nationalisation of the

a brother country, Afghanistan had been invaded.

banks, insurance companies and large businesses. Bani-Sadr, a radical Islamic nationalist, Page 2

ICI plant to make protein from gas

By David Fishlock

A NEW £40m plant for making protein from natural gas-the most advanced of its type in Europe—is likely to be started up by ICI at Billingham, Cleveland, this week.

Mr. Peter King, director of the project, said the highly ible for a fully convertible Euroautomated fermentation plant pean currency unit (ECU) is had been completed on schedule contained in a confidential 27-"for about what we said it would cost."

All parts of the plant have been run separately, and the start-up of the whole process will be managed entirely by computer, because of the need for close control. The plant is based on bio-technology, which is seen as a new area of industrial opportunity for Britain, comparable to microelectropics.

A report from government scientific advisors led by Dr. Alfred Spinks, formerly ICI's research director, is expected to urge a substantial State investment in developing the techpology. It will go to the Government in the spring.

Britain has been losing

ground badly to U.S. and Japanese competitors in applying the results of a rapidly advancing area of science. But the ICI project for making high grade protein for animal feedstuffs is one important exception where Britain is abreast of world leaders.

Its process continuously cultivates a microbe rich in edible proteins on methanol (methyl alcohol) made from natural gas. In demonstrations at Billingham it has produced protein at the rate of 3 tonnes a day.

Mr. King says ICI believes it can sell in bulk for "around the price of the best fish meal." This values Pruteen, as the product is called, at about twice the price of soya. The processors employ what

ICI claims to be the world's ing the two countries. biggest fermentation vessel, a 500-tonne steel reactor about State Department and the Civil 200 ft tall, built in France. This Aeronautics Board, are exis designed to make about 150 tonnes of protein a day, or about 50,000 to 70,000 tonnes a

Bio-technology: exciting

Powerful monetary fund advocated for Europe

with powers of liquidity creation a means of settlement." and wide-ranging monetary and exchange rate responsibilities, is among proposals for the European Monetary System being discussed by EEC governments and their central banks.

European central bank responsfor the EEC's monetary committee by European Commission

Although they have set out a variety of more modest options for the development of the EMS, the experts have thrown down a major political and technical challenge to EEC members by arguing for a "maxinalist" solution.

They argue that only by giving the ECU the characteristics of a reserve currency and by making the EMF a responsible central bank can the Community meet its objectives.

The paper says that these and were encapsulated in the possible

PRESSURE by the U.S. Govern- two.

number of air services to Bri-

tain is likely to be resisted when

the next round of talks on the

revision of the Anglo-U.S. Bermuda Two air agreement

The UK wants the U.S. to

justify on the grounds of traffic

growth any expansion of flights

or an increase in the number

The U.S. negotiators, from the

of airlines serving routes link-

pected to ask the UK for an

increase in the number of points in the U.S. that are

starts in London tomorrow.

ment for an increase in the Angeles.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

this orientation at their next creasing international liquidity. summit at the end of March, which is why the pace of implies, technical discussions is being fledged The suggestion for a powerful stepped up. Seeing the need for aimed at guaranteeing the page discussion paper prepared asked for a report on progress as made towards the creation of technical problem. a European Monetary Fund.

More significantly, the governments reaffirmed their commit- fund, the Commission paper by March 1981, although there wards a "maximalist" solution, is probably not a central banker with the fund having control nor Treasury official in the Nine over short, medium and longwho believes this is feasible. The basic question confrontcussed the Commission paper recommend for the EMS when use of the ECU. its two-year transitional period

ends in March, 1981. The Commission experts have degree acceptgoal of "the full utilisation of ability." This could be achieved

Doubts over extra Miami air link

The U.S. is expected to ask

for both Miami and Boston to

designation to dual designation

status, with more emphasis

struggle is under way for rights to fly Miami-London, with up to

route. The original airline on the route, National, is obliged

to quit under U.S. law, having

been taken over by Jan Ameri-

But while the UK is obliged

to accept one U.S. airline on

that route, to balance flights by

the U.S., a major

upgraded from

likely to be put on Miami.

In

"dual-designated" (served by British Airways, it is not two airlines from each coun-anxious to see Miami upgraded

New York and Los

A EUROPEAN Monetary Fund, the ECU as a reserve asset and prescriptively, they say, by means of settlement." central banks agreeing to use EEC governments will have and hold ECUs. But this would, a fresh opportunity to review however, be tantamount to in-More preferable, the paper

"an improved co-ordination of permanence, convertibility and the economic and monetary yield of the ECU in relation to policies of member states," the other assets. However, slotting blin summit last November gold into the system is regarded Discussing the consolidation

of credit mechanisms within the ment to setting up the fund again appears to be leaning toterm credits based on the ECU. Turning to the organisation

ing these senior officials on the and structure of the new fund monetary committee, which disthe paper acknowledges that cussed the Commission paper this will be determined by the last week, is what direction to solutions adopted for the future

A solution based on ECUs usable for both settlement and credit would argue for a monewere laid down by EEC heads argued that their mandate tary institution with respon-of government meetings in points towards the creation of sibilities which until now have Bremen and Brussels in 1978 an ECU with "the widest been partly those of central government

The UK view is that the carefully-contrilled level of services

between the UK and the U.S.

over the past two years, as laid

down in the Bermuda Two pact,

has ensured that the North

Atlantic has not been swamped

include the UK's desire to see

more U.S. airlines using Gat-

wick to ease congestion at

Heathrow, and a greater liberalisation of cargo traffic.

reached, but not yet signed, it

is intended after three years

virtually to free cargo traffic

between the two countries from

restrictions on rates and the

number of destinations served. The UK hopes to see this agree-

ment signed in the coming week.

Under an agreement already

Other topics to be discussed

with excessive capacity.

Weather

UK TODAY Mostly dry. but rain will spread slowly from the west. London, East Anglia, S.E., E., N.E. England Early mist and fog patches. Dry, hazy sunshine later. Max

5C (41F). Cent. S., Cent. N. England. Midlands Cloudy, rain later. Max 7C

S.W. England, Wales, Channel Is., N. Ireland Rain at times, some sleet on high ground. Max 9C (48F). N.W. England, Lakes, Isle of Man. S.W. Scotland, Argyll Rain spreading from west

sleet or snow on high ground. Max 8C (46F). N.W. Scotland, Central Highlands

Cloudy, rain with sleet or snow on high ground later. Max 7C (45F). Outlook: Some rain, sleet in

		*C	٩F			°C	۳É
	Aiaccio S	14	57	London	F	3	37
1	Algiers F	15	59	Luxmbg.	F	2	36
ı	Amsdm. F	5	41	Luxor	S	.24	75
١	Athens F	17	63	Madrid	S	13	55
ı	Bahrain S	18	84	Majorca	·S	14	57
	Ber'lone C	13	55	Malaga	F	18	64
ı	Belfast F	3	. 37	Malta	S	18	64
í	Belgrd. Sn	1	34	M'chstr	Ē	-1	30
ı	Barlin F	-3		Meibna.	S	24	75
1	Biarritz C	9	48	Milan	S	3	37
ļ	Brm'hem F	O	32	Mntreal		- 13	-8
1	Blackp'i F	0	32	Moscow	F-	- 15	5
1	Boulan. C	3	37	Munich	Sn	-2	28
1	Brussels F	Š	41	Nairobí	C	23	74
1	Budpst. S	-ž	26	Naples	č	10	50
١	Caira S	19		Nwcstl.	Č	2	36
١	Cardiff F	2	36	N. York	Š	õ	32
Į	Cas'b'ca F	19		Nice	F	13	55
1	Cape T. S	26		Nicosia	F	17	ន
ł		-13		Oporto	Ś	18	64
ı	Cologne C	3	₩.	Qalo	š	-4	25
1	Cpnkgn. S	-ă	×	Paris	F	ž	36
ı	Çoriu Ç	10		Perth	Ś	ชั่	30 98
ı	Dublin ,C	5		Pregue	F	- 2	
ŀ	Dbrvnk. S	8		Reykjyk.			28
ł	Ednigh. C	ô		Rhodes	F	.1	34
ı	Faro F	17		Rio J'a		19	65
i		10	62	Rome	Ş	30	86
ŧ	Frankft. F	4	캤	nome	ş	12	54
ı		19.	23	Singapr.	5	31	88
ŧ		3	.œ	Stckhm.	S.	-8	18
Į			٠ ٢٠	Strasbg,	Ċ	2	36
1	Gibritr. C	16	<u> 11</u>	Sydney	Ç	21	70
ĺ		-1	30		Č	17	63
İ	G'insey F	5.	41	Tehran	٠Ş	3	38
Į	Helsinki Ş-	-15	-5	Tel Aviv		17	63
I	H. Kong C	20	58	Tenerite	F	16	61
ļ	Innebrk. So	0		Takyo	Ċ	7	45
ı	Invenss. C	3	3/	Toronto	č	-5	23
۱	Lo.Man F	5	41	Tunis	S	1Ř	64
ł	istanbut Si	1	34	Valencia	C	13	52
l	Jersey F	4	33	Venice	S	- 7	45
Į	Jo'burg S L. Pims, S	23	73	Vienna	Sn	-3	27
ŧ	L. Pims, S	20	58	Wersew		−ġ	18
١	Lisboo S	16	61	Zurich	C	1 .	34
ı	Income \$.7	45				- 1

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Thousands may defy strike ban Continued from Page 1

should be resolved quickly. ned secondary picketing. Lord closures. However, the ruling Denning had gone far beyond the judical function of interpre-ting rather than making law, he said.

The court decision implied that where the Government controlled the purse string of a firm or an industry those who asked that the purse strings should be loosened were not involved in a trade dispute but form of political dispute." The ruling would affect people in the mines, railways and British Leyland.

The ISTC is hoping that the House of Lords will deal with the case quickly. Lord Denning has refused the union leave to appeal but this can be overruled action. by the Lord Appeal Committee.

that the strike was still solely will have some impact on Thursday's meeting between the Government and the TUC nationalised industries and steel committees.

The Transport and General Workers' Unions' national loory trade group committee reinstruction to 230,000 long drivers not to carry steel.

Yesterday some regional union officials claimed wholeat private steel plants but the been affected by industrial

Mr. Sirs strongly maintained try employs about 65,000 people, and a few had suspended operations to the contrary.

was important that the issue at a Press conference yesterday although only 15,000 to 20,000 belong to the ISTC. Together Mr. Sirs said the Appeal about wages and not the more the industry accounts for about Court decision apparently ban-political question of steel plant a quarter of all UK-produced. finished steel products. The British Independent Steel

Producers Association, which has just over 100 member companies, said the situation yesterday was confused but union suggestions of 100 per cent support for the strike were "propaganda." The association emphasised at the week-end its expected that most private sector employees would return to work as soon as possible.

It was difficult to assess the success of the strike call hearted support for the walk-out because many private steel plants now have only limited employers said reaction had work, especially at the processbeen patchy and that many com- ing end. For this reason only federation. He said all 10,000 panies had in any case already a few workers would in any event be at work on a Sunday.

tions' because of industrial action not directly involving

In Wales two Guest Keen and Nettlefold factories employing nearly 4.000 people-at Cardiff and Brymbo Clwyd—were reported to be working normally. But the Duport works in Llanelli and the Alpha Steel plant in Newport, which between them employ nearly 2,000 people, were at a stand-still. Alpha has been affected

last night, according to the Midlands divisional officer of the Iron and Steel Trades Conworkers in the sector were supporting the strike, and that

their employees

for some days by outside industrial action.

The private steel industry in the Midlands was at a standstill

The private sector steel indus- decided not to call workers in unless the ISTC gave instruc-

Other private plants had the position would continue

-Cloudy, F-Fair, Fg-